



STATE OF ARKANSAS

DEPARTMENT OF HUMAN SERVICES (DHS)

Division of Medical Services (the Division/Office)

REQUEST FOR PROPOSALS

DMS 2010-05

for

**UTILIZATION AND QUALITY
CONTROL PEER REVIEW OF
INPATIENT PSYCHIATRIC
SERVICES FOR MEDICAID
BENEFICIARIES UNDER
AGE 21**

Date Issued:

November 16, 2009

TABLE OF CONTENTS

Utilization and Quality Control Peer Review of Inpatient
Psychiatric Services for Medicaid Beneficiaries Under Age

21

DMS 2010-05

Section 1	Introduction
1.1	Purpose
1.2	Background
1.3	Overview of DHS Organization and Operations
1.4	Scope of Service
1.5	Contract Duration
Section 2	RFP Schedule of Events
2.1	RFP Schedule of Events
Section 3	General Requirements and Information
3.1	Issuing Officer
3.1.1	Letter of Intent to Propose
3.2	Questions
3.3	Proposal Submittal
3.4	Proposal Preparation Costs
3.5	Opening of Proposals
3.6	Acceptance of Proposals
3.7	Rejection of Proposals
3.8	Disposition of Proposals
3.9	Subcontracting
3.10	Minority Business Policy
3.11	Independent Price Determination
3.12	Prohibited Solicitation
3.13	RFP Amendments
3.14	Proposal Amendments and Rules of Withdrawal
3.15	Respondent's Contact Person
3.16	Anticipation of Award
3.17	Awarding of Contract
3.18	Notification
3.19	Certification Prior to Award
3.20	Rules of Procurement
3.21	Restriction on Communications with State Staff
3.22	Equal Employment Opportunity Policy
3.23	Proposal Bond
3.24	Performance Bond

Section 4 Proposal Requirements

- 4.1 General Proposal Requirements**
- 4.2 Technical Proposal Requirements**
 - 4.2.1 Cover Sheet**
 - 4.2.2 Table of Contents**
 - 4.2.3 Statement of Acknowledgement**
 - 4.2.4 Disclosure of Litigation**
 - 4.2.5 Executive Summary**
 - 4.2.5 Technical Approach and Solutions to Scope of Service**
 - 4.2.7 Respondent's Background, Experience, and Qualifications**
 - 4.2.7.1 Background**
 - 4.2.7.2 Experience**
 - 4.2.7.3 Qualifications**
 - 4.2.8 Project Organization and Staffing**
 - 4.2.9 Compliance with the State Shared Technical Architectural Program**
 - 4.2.10 Project Management**
 - 4.2.11 Financial Disclosure**
 - 4.2.12 Proposal Bond**
- 4.3 Cost Proposal Requirements**
 - 4.3.1 Independent Price Determination**
 - 4.3.2 Price Warranty**
 - 4.3.3 Price**
 - 4.3.4 IRS – Form W-9**
 - 4.3.5 Vendor Number**
- 4.4 Mandatory Requirements**

Section 5 Evaluation and Contractor Selection

- 5.1 Proposal Evaluation Process**
 - 5.1.1 Evaluation of Mandatory Requirements**
 - 5.1.2 Evaluation of Technical Proposals**
 - 5.1.3 Evaluation of Cost Proposals**
 - 5.1.4 Ranking Proposals**
- 5.2 Point Assignment**
- 5.3 Contract Award Process**

Attachments

- A. Terms and Conditions**
- B. Statement of Acknowledgement**
- C. Pro Forma Contract**
- D. Performance Based Contracting**
- E. Price Sheet**

SECTION 1

INTRODUCTION

1.1 Purpose

The purpose of this Request for Proposal (RFP) is as follows:

The purpose of this Request for Proposals (RFP) is to solicit proposals from qualified organizations, which must be certified by the Centers for Medicare and Medicaid Services as a Quality Improvement Organization (QIO) or QIO-like organization, to provide utilization and quality control peer review for inpatient psychiatric services for Arkansas Medicaid beneficiaries under the age of twenty-one. Utilization and quality control peer review activities include the Certification of Need and determination of medical necessity for admission, continued stay and quality of care for inpatient psychiatric treatment by providers who are enrolled in the Arkansas Medicaid inpatient psychiatric program. Additional activities include care coordination in connection with admission diversion, discharge planning, and de-institutionalization for beneficiaries meeting predefined benchmarks. The contractor will be responsible for on-site retrospective review activities including technical (policy) and medical necessity components, provider scorecard tracking, educational outreach and technical assistance to providers and regional wrap around care councils to meet state goals. The contractor shall have no responsibility to determine beneficiary eligibility for Medicaid.

The Division of Medical Services (DMS) will contract with one respondent to this RFP to provide these services for qualified beneficiaries in all geographical service areas.

1.2 Background

The State of Arkansas provides medical services to eligible beneficiaries under Title XIX of the Social Security Act (Medicaid).

The Arkansas State Plan for Medical Assistance designates the Department of Human Services (DHS) as the single state agency responsible for operating the Arkansas Medicaid Program. Within DHS, The Division of Medical Services (DMS) has operational responsibility for the Medicaid Program.

Arkansas has an operational Medicaid Management Information System (MMIS) certified by The Centers for Medicare and Medicaid Services (CMS). The DMS currently uses a contracted fiscal agent to carry out the MMIS responsibilities including payment of claims to medical providers. The DHS, Office of Systems and Technology, performs some MMIS-related functions. The Division of County Operations (DCO), another division within DHS, determines eligibility for Medicaid and transmits that information to DMS.

Inpatient Psychiatric hospitals and facilities are limited to certified providers who are licensed to treat mental disorders under the direction of a physician within an inpatient or residential setting. Currently, 31 Inpatient Psychiatric providers are enrolled with Arkansas Medicaid with 21 located in Arkansas and 10 located outside the borders of the state. Five thousand three hundred seventy beneficiaries were served during State Fiscal Year 2009. The approximate number of reviews completed in State Fiscal Year 2009 are as follows:

Certification of Need and Initial Prior Authorization: 8815

Continued Stay: 10,864

Inspections of Care: 28

Approximately 473 unduplicated beneficiaries were served in the care coordination program. On average, 227 beneficiaries were served on active caseloads per month. Additionally, Care coordinators provided ad hoc clinical consultation services at the request of various stakeholders to approximately 991 individuals under the age of 21.

1.3 Overview of DHS Organization and Operations

The Division of Medical Services is one of fourteen Divisions and Offices that comprise DHS. The Divisions provide services to the people of Arkansas and the Offices provide necessary support to the Divisions and DHS.

1.4 Scope of Service

The scope of work section is written primarily in terms of requirements for the contractor. Respondents shall prepare proposals that clearly and succinctly state how they propose to meet or exceed these requirements if selected as the contractor.

The Arkansas Medicaid Inpatient Psychiatric Services for Under Age 21 Program covers medically necessary inpatient psychiatric services to qualified beneficiaries with a primary diagnosis of mental illness. Coverage includes all care and services that the facility may provide under its licensure, certification and accreditation. Medicaid-covered Inpatient Psychiatric Services require a Primary Care Physician (PCP) referral unless the services are provided in an emergency or referral is extended under the Arkansas Medicaid Fairness Act (MFA), [Ark. Code Ann. § 20-77-1701 et seq.](#) Prior authorized inpatient psychiatric services being delivered on the inpatient's 21st birthday may continue in accordance with the prior authorization until the beneficiary is discharged or attains the 22nd birthday, whichever comes first. Throughout this RFP, references to "under age 21", shall be understood to include those individuals between the ages of 21 and 22 for whom the conditions in the previous sentence are true. Respondents to this RFP may review the Arkansas Medicaid Inpatient Psychiatric provider policy manual and official notices on-line at the Medicaid home page (www.medicaid.state.ar.us) for details of the program.

The selected contractor must provide Certification of Need, prior authorization, inspections of care, and retrospective reviews to determine program compliance, medical necessity for a range of inpatient psychiatric treatment services, continuing medical necessity and compliance with all Medicaid regulations and professionally recognized standards of care. Reviews must comply with the MFA. The contractor must perform a combination of scheduled annual and random inspection of care audits of providers regardless of provider location to assess quality of care for Medicaid beneficiaries actively receiving inpatient psychiatric care, determine whether the care conforms to professionally recognized standards of health care, and determine whether the care conforms to state and federal guidelines. The contractor must review the utilization efficiency of clinical practice associated with the System of Care model of treatment and provide assistance with regional wrap around care councils. The contractor will develop a method of evaluating and improving the quality of services delivered to Medicaid beneficiaries. The contractor will develop and employ a system of care coordination using an integrated approach that provides overall satisfactory provider relations.

The contractor must have sufficient staff with a background in mental health and auditing to review patient medical records and approve medically necessary Inpatient Psychiatric Services for beneficiaries under age 21 that conforms to federal and state laws, rules, and regulations and Arkansas Medicaid program policy. Arkansas Licensed, Board-certified psychiatrists must review all Certification of Need, prior authorization requests and records selected for review that cannot be approved by other licensed reviewers under the contractor's established criteria for QIO or QIO-like status. Providers denied payment and Medicaid beneficiaries whose care is determined not to be medically necessary in whole or in part, have the right to request an administrative hearing to determine if a preponderance of the evidence supports the contractor's decision. Decisions upholding the contractor's determinations are appealable under the Arkansas Administrative Procedure Act. Providers also may request reconsideration (informal dispute resolution) of determinations that some or all of a beneficiary's care was medically necessary.

1.5 Contract Duration

Work will be done within the constraints of a professional service contract with a proposed effective period of July 1, 2010 through June 30, 2011

The contract may be extended for up to Six (6) additional years, contingent upon approval by the Division/Office, review by the legislature, approval by the Arkansas Department of Finance and Administration (DFA), appropriation of necessary funding, and all necessary federal reviews and approvals.

1.6 Anticipated Contract Funding

It is estimated that 75% of the total costs of this program or project will be financed with federal money.

SECTION 2

RFP SCHEDULE OF EVENTS

2.1 RFP Schedule of Events

The following timetable is anticipated for the procurement process. All times refer to local time in Little Rock, Arkansas.

Event	Date
RFP issued	November 16, 2009
Due date and time for letters of intent to propose	November 24, 2009
Due date and time for written questions	November 25, 2009 4:30 p.m. CST
Legal Notice in Arkansas Democrat-Gazette	November 29, 2009
Due date for answers to questions	December 10, 2009
Closing date and time for receipt of proposals	December 29, 2009 11:00 a.m. CST
Date for opening of proposals	December 29, 2009 3:00 p.m. CST
Completion of proposal evaluation and potential awardee selection	January 12, 2010
Anticipation of Award letter posted	January 13, 2010
Contract start (Subject to State approval)	July 1, 2010

SECTION 3

GENERAL REQUIREMENTS AND INFORMATION

3.1 Issuing Officer

This RFP is issued by the State of Arkansas (the State), Department of Human Services (DHS),
Division of Medical Services (hereinafter referred to as the Division/Office)

Although communications regarding protests are permitted in accordance with Arkansas Code Annotated (ACA) §19-11-244, from the issue date of this RFP until a successful respondent is selected and announced, respondents shall limit all other communications with any state staff about this or a related procurement to the RFP Issuing Officer. All questions and requests for clarification should be addressed to the following Issuing Officer:

Rick Spicer, Issuing Officer
Arkansas Department of Human Services
Division of Medical Services
P. O. Box 1437, Slot S416
Little Rock, AR. 72203-1437
Rick.spicer@arkansas.gov

3.1.1 Letter of Intent to Propose

Respondents that intend to submit a proposal in response to this RFP should submit a letter of intent to the Issuing Officer identified in RFP section 3.1. The Issuing Officer must receive the letter of intent no later than the date indicated in **Section 2.1**. The Issuing Officer will accept a copy of the letter of intent sent by FAX or e-mail, but the respondent shall also ensure the Issuing Officer receives the original signed letter within three days of the FAX or e-mail.

3.2 Questions

Respondents with questions about the RFP shall submit their questions in writing by the date and time specified in Section 2.1. Respondents shall submit their written questions to the Issuing Officer identified in Section 3.1. Respondents may submit their questions by FAX or e-mail, but it remains the respondent's responsibility to guarantee receipt of the questions by the specified time and date. The State accepts no responsibility for accurate or timely receipt of FAX or e-mail submissions from respondents. Questions received after the due date and time will not be answered.

The Issuing Officer will, by the date specified in Section 2.1, for all written questions received by the due date, post written responses on the internet.

Respondents shall rely only on these written responses as the official answers to questions related to this RFP.

3.3 Proposal Submittal

To be considered, each respondent shall submit a complete response to this RFP, using the format provided. An official who is authorized to bind the respondent to its provisions must sign the proposal in ink. The proposal must include a statement that the proposal remains valid through the evaluation, selection, and contract period.

A complete proposal consists of a **Technical Proposal** and a **Cost Proposal**. These shall be submitted at the same time but the **Cost Proposal** shall be sealed separately from the **Technical Proposal**.

THE ENTIRE PROPOSAL WILL BE DISQUALIFIED FROM CONSIDERATION IF THE RESPONDENT FAILS TO SUBMIT THE TECHNICAL AND COST INFORMATION SEPARATELY, SEALED, AND CLEARLY IDENTIFIED. IF SUBMITTED ELECTRONICALLY, COST AND TECHNICAL PROPOSALS MUST BE ON SEPARATE DISKS.

See Section 4 for Proposal Requirements.

Each proposal should be prepared simply and economically, providing a straightforward, clearly organized, and concise response by the respondent to the requirements of the RFP. Emphasis should be on completeness, clarity of content, and ease of use for the reviewers/evaluators. The respondent shall not include promotional materials in the proposal or with the proposal package.

3.4 Proposal Preparation Costs

All costs for developing the response to this RFP are solely the responsibility of the respondents. The State will provide no reimbursement for such costs. All costs associated with any oral presentations to the State will be the responsibility of the respondent and shall not be paid for or reimbursed by the State. The State is not liable for any cost incurred by any respondent prior to the issuance of any agreement or contract.

All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP will become the property of the State and will not be returned.

3.5 Opening of Proposals

The Division/Office will publicly open proposals received by the date and time identified in **Section 2.1**. Only the Technical Proposals will be opened at that time. Individuals wishing to attend the public opening may contact the Issuing Officer for location and time information.

Cost Proposals will be opened after evaluation of the Technical Proposals is complete.

3.6 Acceptance of Proposals

All proposals properly submitted in accordance with the above rules shall be accepted by the Division/Office. However, the Division/Office reserves the right to request necessary amendments or supplementation to proposals or to reject any or all proposals received, amend the RFP, or cancel this RFP at any time, according to the best interest of the State.

The State reserves the right to waive minor irregularities in proposals providing they meet the rules of procurement and mandatory requirements. Such a waiver shall be done in the best interest of the State and shall in no way modify the RFP requirements or excuse the respondent from full compliance with the RFP specifications, including contract requirements if the respondent is awarded the contract.

3.7 Rejection of Proposals

The State reserves the right to reject any and all proposals received as a result of this RFP. Failure to furnish all information may disqualify a respondent. If the respondent takes exceptions to the RFP that are not acceptable to the State, the proposal may be rejected.

Proposals will not be considered if submitted by any person or entity subject to debarment or exclusion under applicable laws, regulations, or rules in effect at the time the proposal is made, reviewed, or both.

3.8 Disposition of Proposals

All proposals become the public property of the State and will be a matter of public record subject to the provisions of the Arkansas Freedom of Information Act, ACA §25-19-101 *et seq.* In accordance with ACA §25-19-105 (b) (9) (A), to prevent any parties from obtaining information that would result in an unfair competitive advantage, no proposals will be released prior to the announcement of the results of the procurement process.

If the proposal contains material that is considered by the respondent to be confidential under Arkansas law, the respondent must so designate the material and state the basis for the claim of confidentiality in the Statement of Acknowledgement. In responding to any requests under the Freedom of Information Act for materials so designated, the Department shall review the basis for the claim of confidentiality to determine if the claim of confidentiality appears justified. If there appears to be a valid basis for the claim of confidentiality, the materials will not be released.

If, in the judgment of DHS, there is no valid justification for the claim of confidentiality, the respondent will be notified prior to the release of the information in order to allow the respondent the opportunity to pursue any desired legal remedies.

The State shall have the right to use all ideas, or adaptations of those ideas, contained in any proposal received in response to the RFP. Selection or rejection of the proposal shall not affect this right.

3.9 Subcontracting

Each respondent in its proposal shall designate only one organization as the primary contractor. All other participating organizations shall be designated as subcontractors and all subcontractors are subject to prior approval by the Division/Office.

Respondents shall certify that they have all the necessary resources to complete the work described in the RFP Scope of Service section. Only the subcontractors approved by the Division/Office shall work on the contract. Respondents must attach to their Statement of Acknowledgement statements from each subcontractor confirming their willingness and ability to perform the work designated in the proposal. Respondents shall not make multiple proposals as the primary contractor under this proposal and as subcontractor in other proposals.

3.10 Minority Business Policy

Minority participation is encouraged in this and all other procurements by state agencies. "Minority" is defined by ACA §1-2-503 as "black or African American, Hispanic American, American Indian or Native American, Asian, and Pacific Islander." The Division of Minority Business Enterprise of the Department of Economic Development conducts a certification process for minority businesses. Respondents unable to include minority-owned businesses as subcontractors may explain the circumstances preventing minority inclusion.

3.11 Independent Price Determination

Respondent's Cost Proposal (price) shall be arrived at independently without collusion, consultation, communication, or agreement with any other respondent or with any competitor. The respondent shall include a statement in the proposal that the price was arrived at independently without collusion, consultation, communication, or agreement. Should a conflict of interest be detected at any time during the contract, the contract shall be deemed null and void and the contractor shall assume all costs of the contract until such time that a new contractor is selected.

3.12 Prohibited Solicitation

It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business (ACA §19-11-229). If this provision is violated, the State shall have the right to reject the proposal, annul the contract without liability, or deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

3.13 RFP Amendments

The Division/Office reserves the right to amend the RFP prior to opening of the proposal. Prior to the due date for proposals, amendments, addenda and clarifications will be posted on the internet.

After that date, amendments, addenda, and clarification will be sent only to vendors who submitted acceptable proposals.

3.14 Proposal Amendments and Rules of Withdrawal

Prior to the proposal selection date, a respondent may withdraw his/her proposal by submitting a signed, written request for its withdrawal to the Division/Office.

The Division/Office will not accept any amendments, revisions, or alterations to the proposals after the proposal due date unless such changes were requested by the Division/Office.

3.15 Respondent's Contact Person

Respondent will provide the name and telephone number, including area code, of an authorized person in its company who may be contacted regarding this RFP response.

3.16 Anticipation of Award

After complete evaluation of the proposals, the anticipated award will be posted on the DHS website and/or the legal section of a newspaper of statewide circulation. The purpose of the posting is to establish a specific time in which vendors and agencies are aware of the anticipated award. The results will be posted for a period of fourteen (14) days prior to the issuance of any award. Vendors and agencies are cautioned that these are preliminary results only, and no official award will be issued prior to the end of the fourteen day posting period. Accordingly, any reliance on these preliminary results is at the agency's/vendor's own risk.

The Office of State Procurement (OSP) reserves the right to waive this policy when it is in the best interests of the State.

3.17 Awarding of Contract

The Division/Office may decline to enter into a contract as a result of this RFP. If a contract is awarded, it shall be awarded to the respondent whose proposal is determined to be most advantageous to DHS based on the selection criteria, not necessarily the lowest price. The State is not liable for any cost incurred by any respondent prior to the issuance of any contract. The contract is subject to state approval processes including but not limited to approval by DFA and legislative review as well as federal agency oversight and is not valid until those processes are complete.

3.18 Notification

Upon completion of the proposal evaluations, DHS will send to all respondents whose proposals were evaluated a notice of final selection.

3.19 Certification Prior to Award

Pursuant to Act 157 of 2007, all respondents must certify prior to award of the contract that they do not employ or contract with any illegal immigrants in their contract with the State. Respondents shall certify online at: http://www.arkansas.gov/dfa/procurement/pro_index.html.

3.20 Rules of Procurement

Any actual or prospective respondent, offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may file a written protest with the Office of State Procurement Director within fourteen calendar days after the respondent knows or should have known of the facts giving rise thereto in accordance with A.C.A. §19-11-244. The Office of State Procurement Director or a designee, prior to commencement of an action in court or any other action provided by law, will attempt to negotiate a settlement of the protest with the parties in accordance with A.C.A. §19-11-244. This decision will be final and conclusive.

3.21 Restriction on Communications with State Staff

Although communications regarding protests are permitted in accordance with A.C.A. §19-11-246, from the issue date of this RFP until a successful respondent is selected and the selection is announced, respondents shall limit all other communications with any state staff about this or a related procurement to the RFP Issuing Officer. If this provision is violated, the state shall have the right to reject the proposal and annul the contract without liability.

3.22 Equal Employment Opportunity Policy

In compliance with **Act 2157 of 2005**, for all contracts exceeding \$25,000.00, OSP is required to have a copy of the vendor's Equal Employment Opportunity (EEO) Policy prior to issuing a contract award to the vendor. The vendor may submit its EEO policy as a hard copy accompanying vendor's response to this solicitation or in electronic format to DHS at the following e-mail address: Suzanne.choate@arkansas.gov. DHS will submit the successful respondent's EEO policy to OSP and OSP will maintain a file of all vendor EEO policies received. The submission by the successful respondent is a one-time requirement but vendors are responsible for providing updates or changes to their respective policies as necessary. Vendors that do not have an established EEO policy will not be prohibited from receiving a contract award, but are required to submit a written statement attesting that they do not have an EEO policy.

3.23 Proposal Bond

Each proposal shall be accompanied by a Proposal Bond, in the form of a cashier's check, certified check, or surety bond payable to DHS in the amount of \$20,000.00. If the successful respondent fails to execute a contract within 14 calendar days after notification of award of contract, the proposal bond will be forfeited to the State. The Proposal Bond shall be returned to the non-selected respondents upon execution of a legal contract and to the selected respondent upon execution of the contract and upon submittal of the Performance Bond, if required.

3.24 Performance Bond

The contractor shall furnish a Performance Bond or other form of surety acceptable to DHS, in the amount of \$1,000,000.00 payable to DHS, within fourteen (14) calendar days after the letter of intent to award the contract is received. The form of bond required to secure the performance shall be the standard form of performance bond such as is usually and customarily written and issued by surety companies licenses and authorized to do business in Arkansas or another form of surety acceptable to the Division/Office. The Performance Bond must be approved by DHS before the contract is executed. If a respondent fails to deliver the required Performance Bond, his proposal shall be rejected and the Proposal Bond shall be enforced. Any further action on the award of the contract or the procurement shall be made solely at the discretion of DHS and in compliance with State purchasing laws.

In the event of a breach of contract on the part of the contractor, DHS may assess reasonable charges against the respondent's Performance Bond. After notification of default, procedures for collection against the contractor's Bond may be instituted for the amount of damages incurred. Actions against this Bond are in addition to any other remedies specified in other portions of this RFP

SECTION 4

PROPOSAL REQUIREMENTS

4.1 General Proposal Requirements

Proposal shall include **one original and three (3) hard copies** of the **Technical Proposal** responsive to the terms of the RFP. In addition, the respondent shall include three (3) electronic copies of the **Technical Proposal** (disks) in Microsoft readable format. **Technical Proposal** shall be clearly identified as such on the envelope. **NO INFORMATION RELATIVE TO COST OR PRICING SHALL BE INCLUDED WITH THE TECHNICAL PROPOSAL!**

Proposal shall also include one (1) original **Cost Proposal** in a **SEPARATE SEALED ENVELOPE** and clearly identified as the **Cost Proposal**. Cost and Technical proposals submitted electronically must be on separate disks.

THE ENTIRE PROPOSAL WILL BE DISQUALIFIED FROM CONSIDERATION IF THE RESPONDENT FAILS TO SUBMIT THE TECHNICAL AND COST INFORMATION SEPARATELY, SEALED, AND CLEARLY IDENTIFIED. IF SUBMITTED ELECTRONICALLY, COST AND TECHNICAL PROPOSALS MUST BE ON SEPARATE DISKS.

The proposals shall be received by the Division/Office by the date and time identified in Section 2.1. **PROPOSALS RECEIVED AFTER THE DEADLINE WILL NOT BE CONSIDERED.** The envelopes or packages must be clearly labeled with the name and number of the RFP as indicated on the cover page of this RFP.

To be considered, each respondent shall submit a complete response to this RFP, using the format provided. An official authorized to bind the respondent to its provisions must sign the proposal in ink. The proposal must include a statement that the proposal remains valid through the evaluation, selection, and contract period.

RFP Section 4.2 provides content requirements for the **Technical Proposal**. **RFP Section 4.3** provides content requirement for the **Cost Proposal**.

Each proposal should be prepared simply and economically, providing a straightforward, clearly organized, and concise response by the respondent to the requirements of the RFP. Emphasis should be on completeness, clarity of content, and ease of use for the reviewers/evaluators. The respondent shall not include promotional materials in the proposal or with the proposal package. Fancy bindings, colored displays, etc., will receive no additional evaluation points or credit.

ANY CONFIDENTIAL, PROPRIETARY, COPYRIGHTED, OR FINANCIAL MATERIAL SUBMITTED BY RESPONDENTS MUST BE MARKED AS SUCH AND SUBMITTED UNDER SEPARATE COVER.

Proposals may be hand delivered to:

Rick Spicer
DHS/Division of Medical Services
Donaghey Plaza South, 4th Floor
700 Main Street
Little Rock, AR 72201

OR mailed by United States mail to:

Rick Spicer
DHS/ Division of Medical Services
P.O. Box 1437/Slot S416
Little Rock, AR 72203

OR mailed by commercial mail to:

Rick Spicer
DHS/Division of Medical Services
112 West 8th Street, Slot S416
Little Rock, AR 72201

4.2 Technical Proposal Requirements

The Technical Proposal must present a complete detailed description of the respondent's qualifications to perform and its approach to carry out the requirements as set forth in **Section 1.4** (Scope of Service) and **Attachment A** (Terms and Conditions), and **Attachment D** (Performance Based Contracting).

The Technical Proposal shall be arranged in the following order. Deviation from the prescribed order may disqualify a proposal.

1. Cover Sheet
2. Table of Contents
3. Statement of Acknowledgement (see **Attachment B**)
4. Disclosure of Litigation
5. Executive Summary
6. Technical Approach and Solutions to Scope of Service.
7. Respondent's Background, Experience, and Qualifications
8. Project Organization and Staffing
9. Project Management
10. Financial Disclosure
11. Proposal Bond

The original proposal and all copies shall be indexed and tabbed with the above sections clearly marked. The respondents should make the proposal easy for the evaluators to read and reference.

Respondents shall not include ancillary information including promotional/marketing information or anything not directly responsive to the RFP in the Technical Proposal or as attachments to the proposal.

RESPONDENTS SHALL SEAL THEIR PROPOSALS AND SHALL NOT INCLUDE ANY KIND OF COST OR PRICING INFORMATION IN THE TECHNICAL PROPOSAL. PROPOSALS CONTAINING SUCH COST OR PRICE INFORMATION IN THE TECHNICAL PROPOSALS SHALL BE REJECTED AS NON-RESPONSIVE TO THE RFP. IF SUBMITTED ELECTRONICALLY, COST AND TECHNICAL PROPOSALS MUST BE ON SEPARATE DISKS.

4.2.1 Cover Sheet

The Cover Sheet shall identify the name and number of the RFP and the name and address of the respondent.

4.2.2 Table of Contents

The Table of Contents should itemize the contents by section, subsection, and page numbers for facilitation of the evaluators reading the proposal.

4.2.3 Statement of Acknowledgement

The Statement of Acknowledgement (**Attachment B**) must be signed in ink by an individual authorized to legally bind the respondent. The Statement of Acknowledgement contains the following components:

1. Name, address, phone number, FAX number, and tax identification number of the respondent;
2. Indication if the respondent is a state government, local government, for profit agency, or not for profit agency;
3. Indication if the respondent is a minority vendor (Arkansas law defines "minority" as black or African American, Hispanic American, American Indian or Native American, Asian, and Pacific Islander);
4. Indication if the respondent is a corporation, partnership, sole proprietor, or individual;
5. Names and titles of the individuals authorized to contractually obligate the organization, the individual authorized to negotiate the contract and the corporate president, if applicable;
6. Indication if the organization has previously contracted with DHS;
7. Statement by the respondent indicating that neither the respondent's principal officers (President, Vice President, Treasurer, Chairperson of the Board of Directors, and other executive officers) nor any individuals with ownership interest in the entity have been terminated previously from a DHS program or been convicted of Medicare or Medicaid fraud;
8. Statement indicating whether or not the organization intends to offer services through a subcontractor (if "Yes", additional information is required);
9. Statement certifying that the completed proposal includes the required number of copies of the proposal in the required format and containing all required information;
10. Statement that neither cost nor pricing data are included in the Technical Proposal;
11. Statement certifying that the respondent has read, understands, and agrees to comply with all the terms and conditions as set forth in the RFP without qualification;
12. Statement certifying that the respondent is a **Corporation, Limited Liability Corporation (LLC), or Professional Association (PA)** (If respondent is NOT one of the above, respondent must provide documentation evidencing proof of filing as either a **Corporation, LLC, or PA** with the Arkansas Secretary of State's office.)
(Out-of-state respondents must submit a copy of their Certificate of Authority from the Arkansas Secretary of State authorizing the respondent to transact business in the State of Arkansas before a contract can be executed, in accordance with A.C.A. §4-27-1501 and §4-27-1502.)
13. Statement certifying the respondent does not discriminate in its employment practices with regard to race, color, religion, age, sex, national origin, or handicap;
14. Statement certifying that the individual signing the Statement of Acknowledgement is authorized to make decisions as to, and responsible for, the prices quoted, that the offer is firm and binding, and that he/she has not participated, and will not participate, in any action contrary to the above conditions;
15. Statement authorizing DHS or its agents to verify the financial information requested in the RFP;
16. Statement certifying that no attempt has been made or will be made by the respondent to persuade any other person or firm to submit or not to submit a response;
17. Statement committing the respondent to adhere to an established system of accounting and financial controls adequate to permit the effective administration of the contract;
18. Statement identifying all amendments to this RFP issued by the Issuing Officer and received by the

respondent or, if no amendments have been received, a statement to that effect:

19. If services are to be provided by subcontractors, a statement of the exact amount of work to be done by the primary contractor (not less than 50%) and each subcontractor as measured by price.
RESPONDENT SHALL NOT STATE THE PRICE FIGURES IN THE STATEMENT OF ACKNOWLEDGEMENT.
20. If services are to be provided by subcontractors, statements from each subcontractor, signed by an individual authorized to legally bind the subcontractor, stating:
 - The scope of work to be performed by the subcontractor;
 - The subcontractor's willingness to perform the work indicated;
 - The subcontractor's certification that he/she does not discriminate in its employment practices with regard to race, color, religion, age, sex, national origin, or handicap;
21. Statement certifying acceptance of and agreement with the terms and conditions contained within this RFP and that the proposal remains valid through the evaluation, selection, and contract period.

If the respondent believes their proposal contains confidential information or information that would provide an unfair advantage to competitors, the information, justification, and page number and section number must be listed as an attachment to the Statement of Acknowledgement.

If the proposal deviates from the detailed requirements of this RFP in any manner, the respondent must attach an explanation to the Statement of Acknowledgement. The State reserves the right to reject any proposal containing such deviations.

4.2.4 Disclosure of Litigation

The respondent (and any subcontractors offering services) shall disclose in the proposal their involvement in any litigation that could affect the project or contract.

The respondent must identify, for all projects undertaken for the past three years, any claims, disputes, or disallowances imposed by any funding agency. In addition, a statement of any assignments, contractual obligations, and the respondent's involvement in litigation that could affect this work shall be included. Respondent must identify any contract termination(s) that have occurred or that were initiated by either party.

4.2.5 Executive Summary

The executive summary should condense and summarize the contents of the Technical Proposal to provide the proposal evaluators with a broad but clear understanding of the entire proposal. It should summarize the respondent's technical approach and the enhancements proposed for DHS.

The executive summary should include a cross-reference to the pages in the proposal that address the RFP requirements. The proposal may be rejected as incomplete and failing mandatory requirements if the respondent fails to include the cross-reference.

The executive summary should not exceed three pages. The RFP cross-reference pages are not included in this number.

4.2.6 Technical Approach and Solutions to Scope of Service

The proposal must specify the respondent's plan for meeting the objectives of the contract. The response shall clearly indicate how the requirements will be met, what assurances of success the proposed approach will provide, and what individuals will support the respondent's efforts, both on-site and at other locations.

Service delivery must be provided in accordance with the **Section 1.4** (Scope of Service), and **Attachment D**

(Performance Based Contracting). See **Section 5.2** for the specific criteria to be considered for this RFP.

The proposal must specify the respondent's capability to perform the work requested. The proposal shall provide detailed plans for meeting the objectives of each task, activity, products, responsibilities and timeframes for each component of the project as specified in Section 1.4, Scope of Services.

The proposal must specify the respondent's technology services and ability to apply this technology as related to prior authorization, utilization and quality control peer review, provider and beneficiary relations, beneficiary care coordination, sharing of data and databases with the Department and its contracted entities, online website-based services, record keeping and registry services. The proposal must include a weekly timeline and plan for establishing all work procedures and processes necessary to assume the contract operations on or before July 1, 2010.

The proposal shall clearly state how the respondent will establish and conduct the process for receiving, reviewing, determining and disseminating determinations of approval or denial of medical necessity and quality of care reviews for Certification of Need (CON), prior authorization (PA) and subsequent CON and PA requests. Describe the process for how reconsideration requests will be handled. In addition to the reconsideration process, the respondent may opt to establish a renegotiation process with the provider. The contractor may not bill DHS/DMS for any reconsideration or renegotiation. Explain whether the respondent would utilize the renegotiation process and why.

The proposal shall clearly state how the respondent will perform on-site inspections of providers to assess the quality of care provided to Medicaid beneficiaries and determine whether the care conforms to professionally recognized standards of health care; retrospective reviews and the utilization of innovative utilization control methods.

The proposal shall clearly state how the respondent will establish and implement a system of care coordination within the first 90 calendar days of the contract. Explain the respondent's concept of care coordination services. Detail what services the respondent anticipates delivering and to what degree.

The proposal shall clearly explain the respondent's understanding of due process in the state of Arkansas and how it affects the scope of services to be provided. The respondent shall explain its experience and qualifications to provide determinations, notices and participation in all administrative appeals of adverse action and litigation based in whole or in part on the contractor's acts or omissions.

4.2.7 Respondent's Background, Experience, and Qualifications

4.2.7.1 Background

Proposals shall include details of the background of the respondent regarding:

- Date established;
- Ownership (whether public, partnership, subsidiary, or specified other);
- Total number of employees;
- Number of full time equivalent (FTE) employees engaged in similar contracts

4.2.7.2 Experience

Respondents shall submit a minimum of three letters of recommendation from three different sources or give an

explanation as to why three are not submitted. If subcontractors are proposed, three letters of recommendation should also be submitted for each subcontractor. DHS reserves the right to contact the references submitted as well as any other references which may attest to the respondent's work experience. Letters of recommendation should meet the following criteria:

- They should be on official letterhead of the party submitting recommendation;
- They should be from entities with recent (within the last three years) contract experience with the respondent;
- If the respondent or subcontractor has no recent contract experience, they should be from organizations regarding work closely related;
- They should be from individuals who can directly attest to the respondent's qualification relevant to this RFP;
- They should be limited to organizational recommendations, not personal recommendations;
- They should be dated not more than six months prior to the proposal submission date;
- They shall not be from current DHS employees;

Recommendations may be verified, so it is very important that the proposal contain current phone numbers, mail addresses, and e-mail addresses for all references.

4.2.7.3 Qualifications

The respondent should include the following information for itself and each subcontractor:

- An organizational chart displaying the overall business structure;
- Evidence of the qualifications and credentials of the respondent in terms of proven successful experience through similar projects of like size and scope;
- The number and a description of recent similar projects successfully completed;
- A statement specifying the extent of respondent's responsibility and experience on each described project.

For each referenced project or contract, the respondent shall provide a description of work performed, the time period of the project or contract, the staff-months required, the contract amount, and a customer reference (including current phone numbers)

4.2.8 Project Organization and Staffing

The respondent shall include a section in its proposal that details the proposed project organization and staffing. This shall include project organization charts showing all proposed personnel by job title and lines of supervision. The respondent's proposal shall identify key personnel as required in the RFP as well as all staff proposed to meet the requirements of the RFP. Each proposal shall clearly describe the experience and qualifications of the respondent's staff.

The respondent must have sufficient staff with mental health and audit experience and background to review patient medical records and approve medically necessary Inpatient Psychiatric Services for beneficiaries under age 21. Arkansas Licensed, Board-certified psychiatrists must review all Certification of Need, prior authorization requests and records selected for review that cannot be approved by other licensed reviewers under the contractor's established criteria for QIO or QIO-like status.

The following staffing is required at a minimum:

- Sufficient staffing to perform all contract functions. At a minimum, staffing must include a multi-disciplinary team of licensed registered nurses, licensed psychologists or psychological examiners, other licensed mental health professionals, and Arkansas licensed board-certified psychiatrists in active practice. In addition, each

staff member must have a minimum of three years behavioral health experience. The respondent shall state the minimum number of psychiatrists it will engage in order to perform the scope of all work and how it will handle fluctuations in work capacity.

- A master level or higher statistician must be retained to select record samples to be reviewed and to be able to provide testimony in the event of any legal proceeding.
- All review staff must be trained in proper investigative techniques and how to write deficiencies.
- The respondent must clearly identify and explain the evidence-proven methods of training and the reviewer reliability rating that will be used to assess work quality and consistency.
- Establish a system for engaging ad hoc psychiatric and behavioral health consultants having credentials as specified by DMS.

4.2.9 Compliance with the State Shared Technical Architectural Program

The respondent solution must comply with the State's Shared Technical Architecture Program which is a set of policies and standards that can be viewed at http://www.dis.arkansas.gov/poli_stan_bestpract/standards.htm.

Only those standards, policies, and best practices which are fully promulgated or have been approved by the Governor's Office apply to this solution.

4.2.10 Project Management

The respondent shall provide details of their intended project management and project control methods. These shall clearly explain how the respondent proposes to manage the project, control project activities, report progress, ensure required staffing, relate and report to DHS, respond to requests by DHS, and interact and coordinate with other involved parties.

4.2.11 Financial Disclosure

The respondent shall provide evidence of financial status and the financial ability to carry out the project. Sufficient information shall be provided relevant to the last three years for the respondent and any subcontractors evidencing good standing.

The financial statements shall include:

- Summary of financial standing;
- Balance sheets;
- Statement of income;
- Statements of change in financial position;
- Notes to financial statements;
- Auditor's reports

4.2.12 Proposal Bond

The respondent shall provide a proposal bond in the amount specified in **Section 3.23** in the form of a surety bond or other form of assurance acceptable to the Division/Office made payable to the Department of Human Services.

4.3 Cost Proposal Requirements

Cost Proposal MUST be submitted under separate cover from the Technical Proposal and BOTH MUST be sealed. Any reference to cost included within the Technical Proposal will result in respondent's proposal being rejected. IF SUBMITTED ELECTRONICALLY, COST AND TECHNICAL PROPOSALS MUST BE ON SEPARATE DISKS.

The Cost Proposal shall contain the items identified below. Failure to include these items may result in rejection of the proposal at the discretion of the Division/Office.

4.3.1 Independent Price Determination

The Cost Proposal shall contain a statement of independent price determination as described in **Section 3.12**.

4.3.2 Price Warranty

By submitting a proposal under this RFP, the respondent warrants their agreement to the pricing methods. Any qualifications, counter proposal, deviations, or challenges related to this may render the proposal void.

4.3.3 Price

The proposed price shall include the services and requirements described in this RFP. The price will include a cost analysis to support the reasonableness of the price. **The price included in the proposal will be the price for the period of the initial award as specified in Section 1.5. On an annualized basis, that price will be applicable for the life of the contract resulting from this RFP (initial contract and any extensions) if extension options are exercised.**

Services provided under this contract will be reimbursed based on the following method: Final Negotiated Rate

Cost per review. The cost per review shall include all work required in the RFP and contract, including any face-to-face assessments required. The respondents shall propose rates for the following types of reviews:

of Certification of Need/Initial Prior Authorization reviews X price per review = price

of Continued Stay reviews X price per review = price

of Retrospective reviews X price per case review = price

of Inspection of Care reviews X price per review = price

of Active Care Coordination cases X price per case = price

Ad Hoc Professional Consultation fees X yearly rate = price

Provider Relations fee X yearly rate = price

Total Price

Respondent must complete the Price Sheet as specified in Attachment E.

Contractor will not receive any other payment.

4.3.4 IRS Form W-9

The respondent shall submit a completed and signed IRS Form W-9.

4.3.5 Vendor Number

If the respondent does not already have an Arkansas vendor number issued by Office of State Procurement, DFA, they shall obtain the vendor number before the contract is signed. The respondent shall submit proof of application for the vendor number with the Cost Proposal. Information and necessary forms to obtain a vendor number can be found on the following website:

http://www.arkansas.gov/dfa/procurement/pro_index.html

4.4 Mandatory Requirements

The following are the mandatory requirements for this RFP. Failure to provide the identified information will result in a proposal being rejected.

4.4.1 Technical and cost proposals must be received by time and date specified in **Section 2.1**.

4.4.2 Technical proposal must include one original and the number of hard copies specified in **Section 4.1**.

4.4.3 Technical proposals and the original cost proposal must be submitted separately, sealed, and clearly labeled, as indicated in **Section 4.1**.

4.4.4 Statement of Acknowledgement must be reviewed and signed in ink by individual authorized to legally bind the respondent, as specified in **Section 4.2.3**.

4.4.5 Proposal bond must be included as specified in Section 3.23.

4.4.6 The Technical proposal must include a certification from CMS that the respondent is a QIO or QIO-like entity.

SECTION 5

EVALUATION AND CONTRACT SELECTION

5.1 Proposal Evaluation Process

The proposals will be evaluated in phases.

5.1.1 Evaluation of Mandatory Requirements

Following the public opening of proposals, the Division/Office shall begin the evaluation process by examining the proposal to determine if mandatory requirements of the RFP have been agreed to or met as set forth in **Section 4.4**. The purpose of this phase is to determine whether each proposal has met the response submission requirements, conforms to the rules of the procurement, and is sufficiently responsive to permit a further evaluation. In this phase, each proposal shall be evaluated as either “pass” or “fail”. Only those proposals which pass the first phase shall be forwarded for the second phase of evaluation. In later phases of the evaluation, portions of the proposal may be found non-responsive and at that time the response may be rejected.

Any response that fails to meet the mandatory requirements shall be deemed non-responsive and shall be rejected without further review or evaluation. The State reserves the right to waive minor irregularities and to reject any and all proposals.

5.1.2. Evaluation of the Technical Proposals

The second phase is an evaluation of the Technical Proposals. The Division/Office shall appoint an evaluation team of at least three qualified members to evaluate the merit of the proposals. The Division/Office shall ensure that the evaluation team members are properly trained in their responsibilities. Each team member shall use the approved evaluation tools and forms to review and score each proposal. The Division/Office reserves the right to request clarifications during the second phase.

During the course of the second phase, the Issuing Officer or designee may conduct corporate and personnel reference checks to verify project experience and qualifications.

Based on findings by the evaluation team, any Technical Proposal deemed incomplete or in which there are significant inconsistencies or inaccuracies may be deemed non-responsive and may be rejected by the Division/Office. The State reserves the right to reject any and all proposals.

5.1.3 Evaluation of the Cost Proposals

The third phase is an evaluation of, and awarding of points for, the Cost Proposal. This evaluation shall determine:

- If the Cost Proposal meets the requirements in **Section 4.3**;
- Whether the Cost Proposal is consistent with the Technical Proposal;
- If the calculations are correct;

The State may reject any Cost Proposal that is incomplete or which contains significant inconsistencies or inaccuracies. The rejection of the Cost Proposal shall disqualify the entire proposal from further consideration.

The number of points awarded to each Cost Proposal will be determined by the following mathematical formula:

Lowest proposed cost for evaluation

X maximum cost points

= SCORE of Cost Proposal being evaluated

Proposed cost for evaluation being evaluated

5.1.4 Ranking Proposals

In the fourth phase, for each proposal, the Issuing Officer or designee shall add the points for the Technical Proposal to the points for the Cost Proposal and shall rank the proposals from highest to lowest according to total points.

The State reserves the right to require on-site interviews with any respondent before making a final decision on selection or non-selection of a contractor.

5.2 Point Assignment

All criteria to be considered in the evaluation of proposals are itemized below under "Criteria". The maximum points possible for each criterion are indicated in the column entitled "POSSIBLE POINTS".

CRITERIA	POSSIBLE POINTS
Respondent's Background, Experience, and Qualifications	200
Project Management & Project Organization and Staffing	125
Financial Disclosure	50
Technical Approach and Solutions to Scope of Service	225
	.
	.
	.

SUBTOTAL POINTS FOR TECHNICAL	600
Respondent's Cost Proposal for performance of work requested. The lowest computed price proposal will be awarded maximum value. The value of other proposals will be awarded on a basis proportionate to the lowest cost proposal POINTS FOR COST	400
Total Possible Points	1000

5.3 Contract Award Process

The contract will be awarded to the respondent that provides the most effective solution for the price quoted, not necessarily the one with the lowest cost.

The format for the professional/consultant services contract, as prescribed by Arkansas law, can be found in **Attachment C**.

ATTACHMENT A

Except upon the approval of DHS, the terms and conditions set out in this section are non-negotiable items and will be transferred to the contract as written. DHS has determined that any attempt by any vendor to reserve the right to alter or amend the terms and conditions via negotiation, without the approval of DHS, is an exception to the terms and conditions that will result in rejection of the proposal. A statement accepting and agreeing to the terms and conditions set out in this section, or to alternate terms and conditions upon approval of DHS, is required to be submitted with the respondent's proposal. Failure to provide this statement will result in rejection of the proposal.

PROFESSIONAL SERVICES CONTRACT

GENERAL TERMS AND CONDITIONS FOR NON-STATE AGENCY

In consideration of the premises and the mutual agreements hereinafter set forth, the Contractor and the Department of Human Services ("the Department") agree as follows:

Legal Considerations

The contract shall be construed according to the laws of the State of Arkansas. Any legal proceedings against the Department shall be brought in the State of Arkansas' administrative or judicial forums and the rights and remedies of the parties hereunder shall be determined in accordance with such laws. Venue for all legal proceedings shall be in Pulaski County, Arkansas. Nothing in this contract may be construed as a waiver of the Department's sovereign immunity.

In no event shall the initial term of this contract extend beyond the end of the current biennial period unless the General Assembly, prior to the expiration of the biennial period, makes an appropriation for such purpose.

Financial Terms of the Contract

All services rendered under this contract must be billed as set out herein. No services may be billed to a Medicaid Provider or to any other contract. Payments will be made after services are provided based on the following financial terms:

Funding Source	Reimbursement Method *	Payment Limitations **	Match Requirements***	
			Maximum Amount of Match Required <u>OR</u> Percentage of Allowable Billing Required	Type(s) of Match (Select from listing below)

***Reimbursement Method:** (Select from the following) Actual Cost Reimbursement; Final Negotiated Rate; Fixed Rate; Scheduled Reimbursement

****Payment Limitations:** (Select from the following) Quarterly Cumulative; Monthly Cumulative; None

*****Matching Requirements:** The Contractor certifies the funds, property, goods, or services listed in this section will be used to meet the match requirements of this agreement. If there are no matching requirements for a funding source, enter "None" in the corresponding box above.

Type(s) of Match: The matching requirement may be satisfied by any one or a combination of the following methods unless specific funding source restrictions apply:

Cash Match: Cash will be obtained by the Contractor and will be applied against allowable costs covered by this agreement.

Donation of Property: Title to or the use of property or equipment has been donated by a public agency for the program(s) covered by this agreement. If title to property is donated, match value is the fair market value of the property. If the use of the property or equipment is donated, match value is the fair rental value as determined by applicable Department policy will be used as matching of the payments.

Third Party In-Kind Contributions: Property, goods, or services have been donated by a non-federal agency for the programs(s) covered by this agreement without charge to the contractor. The Code of Federal Regulations, Title 45, Part 74, Subpart G shall be used to establish the basis of valuation.

Funds Transfer: Match funds will be submitted by a third party to the Department of Human Services by check or money order under the terms of this agreement. Matching funds are to be received by the Department in an amount sufficient to match billing before the contractor will be reimbursed for services.

The Contractor certifies that any funds to be donated under this agreement which are derived or come directly or indirectly from Federal or State funds, or any other contractor under contract to the Department, have been specifically listed as a source above.

The Contractor certifies that the matching arrangements comply with requirements established in the Code of Federal Regulations, Title 45, Part 74, Subpart G (Cost Sharing or Matching) and all applicable Department policy.

Term of the Contract

The Department shall notify the contractor at least thirty (30) days prior to the end of the contract period or extension thereof if the State intends to amend to extend the contract. If notification is not made, the contract will terminate at the end of the contract period or current extension thereof.

Terms of Payment/Billing

The Contractor agrees to submit all billing invoices within sixty days of the expiration of the contract. Any billings for services rendered during a particular state fiscal year which are not submitted within ninety days of the end of the fiscal year will not be paid.

Termination of Contract

The Department may cancel this contract unilaterally at any time, for any reason including unavailability of federal funds, state funds or both by giving the other party thirty (30) calendar days written notice, and delivering notice of cancellation either in person or by certified mail, return receipt requested, restricted delivery. Availability of funds will be determined at the sole discretion of the Department.

Payments for completed services or deliverables satisfactorily delivered to and approved by the Department shall be at the contract price. Payment for partially completed services or deliverables satisfactorily delivered to and not yet approved by the Department shall be at a price mutually agreed

upon by the Contractor and the Department. In addition to any other law, rule or provision which may authorize complete or partial contract termination, the Department may terminate this contract in whole or in part when the Department determines that the Contractor or subcontractor has failed to satisfactorily perform its contractual duties and responsibilities.

Procedure on Expiration or Termination

Upon delivery by certified mail to the Contractor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective, the Contractor shall:

- Stop work under the contract on the date and to the extent specified in the Notice of Termination,
- Place no further orders or enter in any additional subcontracts for services,
- Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination,
- Assign to the Department in the manner and to the extent directed by the Department representative all of the right, title and interest of the Contractor in the orders or subcontracts so terminated. The Department shall have the right, in its discretion, to settle or pay any and all claims arising out of the termination of such orders and subcontracts,
- With the approval or ratification of the Department representative, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable, in whole or part, in accordance with the provisions of this Contract.
- Transfer title to the Department and deliver in the manner, at the time, and extent directed by the Department representative, all files, data, information, manuals, or other documentation, or property, in any form whatsoever, that relate to the work terminated by the Notice of Termination.
- Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination.
- Take such action as may be necessary, or as the Department representative may direct, for the protection and preservation of the property related to the contract which is in the possession of the Contractor and in which the Department has or may acquire an interest.

The Contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of any item or reimbursable price under this clause.

Termination Claims

After receipt of a Notice of Termination, the Contractor shall submit to the Department all outstanding claims within ten (10) working days. The Contractor and the Department may agree upon the amounts to be paid to the Contractor by reason of the total or partial termination of work as described in this section.

In the event of the failure of the Contractor and the Department to agree in whole or in part as to the amount with respect to costs to be paid to the Contractor in connection with the total or partial termination of work as described in this section, the Department shall determine, on the basis of information available, the amount, if any, due to the Contractor by reason of termination and shall pay to the Contractor the amount so determined.

Contractor

It is expressly agreed that the Contractor, officers, and employees of the Contractor or Sub-Contractor in the performance of this contract shall act in an independent capacity and not as officers or employees of the Department. It is further expressly agreed that the Department shall exercise no managerial responsibility over the Contractor nor shall this contract be construed as a partnership or joint venture between the Contractor or any subcontractor and the Department or the State of Arkansas.

The Contractor hereby represents and warrants to the Department that as of the execution date of this Contract:

- The Contractor has been duly organized and is validly existing and in good standing under the laws of the State of Arkansas, with power, authority, and legal right to enter into this Contract.
- There are no proceedings or investigations pending or threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Contractor or its properties (i) seeking to prevent the consummation of any of the transactions contemplated by this Contract; or (ii) seeking any determination or ruling that might materially and adversely affect the performance by the Contractor of its obligations hereunder, or the validity or enforceability of this Contract.
- All approvals, authorizations, consents, orders or other actions of any person or of any governmental body or official required to be obtained on or prior to the date hereof in connection with the execution and delivery of this Contract and the performance of the services contemplated by this Contract and the fulfillment of the terms hereof have been obtained.
- The Contractor and the executive officers of the Contractor have not been the subject of any proceeding under the United States Bankruptcy Code.

Force Majeure

The Contractor will not be liable for any cost to the Department if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, Acts of God, fires, quarantine restriction, strikes and freight embargoes.

Disputes

In the event of any dispute concerning any performance by the Department under the contract, the Contractor shall notify the Division Director in writing. The State Procurement Director or a designee, prior to commencement of an action in court or any other action provided by law, will attempt to negotiate a settlement of the dispute with the parties in accordance with A.C.A. § 19-11-246. If the claim or controversy is not resolved by mutual agreement, and after reasonable notice to the parties in accordance with A.C.A. § 19-11-246 (c) (1), the State Procurement Director or his designee shall promptly issue a decision in writing stating the reason for the actions taken and a copy of the decision shall be mailed or otherwise furnished to the Contractor. This decision will be final and conclusive.

Pending final determination of any dispute hereunder, the contractor shall proceed diligently with the performance of the contract and in accordance with the Division Director's instructions.

Confidentiality of Information

In connection with this contract, the Contractor will receive certain Confidential Information relating to DHS clients. For purposes of this contract, any information furnished or made available to the Contractor relating to DHS clients, the financial condition, results of operation, business, customers, properties, assets, liabilities or information relating to recipients and providers including but not limited to protected health information as defined by the Privacy Rule promulgated pursuant to the Health Insurance Portability and Accountability Act (HIPAA) of 1996, is collectively referred to as "Confidential Information". The Contractor shall comply with all DHS policies governing privacy and security of Confidential Information, including the contracting division's designation of the Confidential Information as required by the Arkansas Data and System Security Classification Standards, and shall implement and maintain reasonable security procedures and practices appropriate to the nature of the Confidential Information as required by A.C.A. § 4-11-104, the Personal Information Protection Act ("the Act"). In addition, the Contractor shall comply with the Business Associate Agreement between the parties, incorporated herein by reference, and shall disclose any breaches of privacy or security by contacting the Information Technology Security Officer within one (1) business day of the breach by notification to the following e-mail address: dhs-it-security@arkansas.gov.

The contractor shall treat all Confidential Information which is obtained by it through its performance under the contract as Confidential Information as required by state and federal law and shall not use any information so obtained in any manner except as necessary for the proper discharge of its obligations. The parties acknowledge that the disclosure of Confidential Information in contravention of the provisions hereof would damage the party to whom the information disclosed relates and such party has the right to seek all remedies at law or equity to minimize such damage and to obtain compensation therefore. The Contractor agrees to retain all protected health information as defined by the Privacy Rule promulgated pursuant to HIPAA for six (6) years or as otherwise required by HIPAA.

The contractor shall safeguard the use and disclosure of information concerning applicants for or recipients of Title XIX services in accordance with 42 CFR Part 431, Subpart F, and shall comply with 45 CFR Parts 160 and 164 and shall restrict access to and disclosure of such information in compliance with federal and state laws and regulations.

Public Disclosure

Upon signing of the contract by all parties, terms of the contract shall become available to the public, pursuant to the provisions of Ark. Code Ann., § 25-19-101 et seq.

Inspection of Work Performed

The State of Arkansas and its authorized representatives shall, at all reasonable times, have the right to enter the Contractor's work areas to inspect, monitor, or otherwise evaluate the quality, appropriateness, and timeliness of work, services, or both, that have been or are being performed.

Subcontracts

The Contractor is fully responsible for all work performed under the contract. The Contractor may, with the prior written consent of the Department, enter into written subcontract(s) for performance of certain of its functions under the contract. No subcontract under this contract shall in any way relieve the Contractor of any responsibility for performance of its duties. The Contractor agrees that all subcontracts shall adhere to Department policies.

The Contractor shall give the Department immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the Contractor or any subcontractor which may result in litigation related in any way to the contract or the Department.

In accordance with Executive Order 98-04, IF the agreement between the contractor and the subcontractor is greater than \$25,000.00:

- The contractor shall require the subcontractor to complete a **Contract and Grant Disclosure and Certification Form**. This form must be signed no later than 10 days after entering into any agreement with a subcontractor and the contractor shall transmit a copy of this form to the agency.
- The contractor shall include the following in the contract between the Contractor and that Subcontractor:
 - Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates the rule, regulation, or policy shall be subject to all legal remedies available to the contractor.

Audit Requirement:

Contractor shall comply with the Department audit requirements as outlined in "Arkansas Department of Human Services Audit Guidelines". Copies may be obtained from:

Arkansas Department of Human Services
Office of Chief Counsel Audit Section
P.O. Box 1437 – Slot S270
Little Rock, Arkansas 72203-1437

Indemnification

The Contractor agrees to indemnify, defend, and save harmless the State, the Department, its officers, agents and employees from any and all damages, losses, claims, liabilities and related costs, expenses, including reasonable attorney's fees and disbursements awarded against or incurred by the Department arising out of or as a result of:

- Any claims or losses resulting from services rendered by any person, or firm, performing or supplying services, materials, or supplies in connection with the performance of the contract;
- Any claims or losses to any person or firm injured or damaged by the erroneous or negligent acts (including without limitation disregard of Federal or State regulations or statutes) of the Contractor, its officers or employees in the performance of the contract;
- Any claims or losses resulting to any person or firm injured or damaged by the Contractor, its officers or employees by the publication, translation, reproduction, delivery, performance, use, or disposition of any data processed under the contract in a manner not authorized by the contract, or by Federal or State regulations or statutes;
- Any failure of the Contractor, its officers or employees to observe local, federal or State of Arkansas laws or policies, including but not limited to labor laws and minimum wage laws.
- The Contractor shall agree to hold the Department harmless and to indemnify the Department for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the Department may sustain as a result of the Contractor's or its subcontractor's performance or lack of performance.

Assignments

The Contractor shall not assign the contract in whole or in part or any payment arising therefrom without the prior written consent of the Department representative.

Waiver

No covenant, condition, duty, obligation, or undertaking contained in or made a part of the contract will be waived except by the written agreement of the parties, and forbearance or indulgence in any other form or manner by either party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed, or discharged by the party to which the same may apply; and until complete performance or satisfaction of all such covenants, conditions, duties, obligations, and undertakings, any other party shall have the right to invoke any remedy available under law or equity, notwithstanding any such forbearance or indulgence.

Department Property

Property, including intellectual property, acquired or created by the Contractor as a Contract deliverable, is the property of the Department. The Contractor shall be responsible for the proper custody and care of all Department owned property, including Department owned property used in connection with the performance of this contract and the Contractor agrees to reimburse the Department for its loss or damage due to negligence, theft, vandalism, or Acts of God.

Use and Ownership of Software

The Contractor will have access to all applications software that the Department requires the Contractor to use in the performance of the services covered in the contract, subject to customary confidentiality and other license terms and conditions. No changes in the applications software may be made without the written consent of the Contract Administrator if the change would have the effect of causing the Department to incur additional costs for either hardware or software upgrades or both.

Any applications software developed by the Contractor in the performance of the services under this contract must become the property of the State of Arkansas at no additional cost. Any existing software applications owned by the Contractor and used in the performance of the services under this contract must be granted to the State of Arkansas at no additional cost, subject to customary confidentiality and other license terms and conditions.

Contract Variations

If any provision of the Contract (including items incorporated by reference) is declared or found to be illegal, unenforceable, or void, then both the Department and the Contractor shall be relieved of all obligations arising under such provision. If the remainder of the Contract is capable of performance, it shall not be affected by such declaration or finding and shall be fully performed.

Attorney's Fees

In the event that either party to this Contract deems it necessary to take legal action to enforce any provision of the contract, and the Department prevails, the Contractor agrees to pay all expenses of such action, including attorney's fees and costs at all stages of litigation as set by the court or hearing officer. Legal action shall include administrative proceedings.

Liability

In the event of non-performance of a contractual obligation by the Contractor or his agents which results in the determination by Federal authorities of noncompliance with Federal regulations and standards, the Contractor will be liable to the Department in full for all penalties, sanctions and disallowances assessed against the Department.

Records Retention

The Contractor agrees to retain all records for five (5) years after final payment is made under this Contract or any related subcontract. In the event any audit, litigation or other action involving these records is initiated before the end of the five (5) year period, the Contractor agrees to retain these records until all issues arising out of the action are resolved or until the end of the five (5) year period, whichever is later. The Contractor agrees to retain all protected health information as defined by the Privacy Rule promulgated pursuant to HIPAA for six (6) years or as otherwise required by HIPAA.

Access to Contractor's Records

The Contractor will grant access to its records upon request by state or federal government entities or any of their duly authorized representatives. Access will be given to any books, documents, papers or records of the Contractor which are related to any services performed under the contract. The Contractor additionally consents that all subcontracts will contain adequate language to allow the same guaranteed access to the records of subcontractors.

Ownership of Documentation

All documents and deliverables prepared by the Contractor and accepted by the Department shall become the property of the Department and shall not be used for any other purpose by the Contractor without the Department's specific written consent.

Disclosure

The failure of any person or entity to disclose as required under any term of Executive Order 98-04, or the violation of any rule, regulation or policy promulgated by the State Department of Finance and Administration pursuant to this Order, shall be considered a material breach of the terms of the contract, lease, purchase agreement, or grant and shall subject the party failing to disclose or in violation to all legal remedies available to the Department under the provisions of existing law.

Set-Off

The parties agree that the Department, in its sole discretion, shall have the right to set-off any money Contractor owes the Department from the Department's payment to Contractor under this contract.

State and Federal Laws

Performance of this contract by both parties must comply with State and federal laws and regulations. If any statute or regulation is enacted which requires a change in this contract or any attachment, then both parties will deem this contract and any attachment to be automatically amended to comply with the newly enacted statute or regulation as of its effective date.

Accessibility Act 1227 of 1999

The Contractor expressly acknowledges that state funds may not be expended in connection with the purchase of information technology unless that system meets certain statutory requirements, in accordance with State of Arkansas technology policy standards, relating to accessibility by persons with visual impairments.

Accordingly, the Contractor represents and warrants to the Department of Human Services that the technology provided to the Department of Human Services for purchase is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of: (1) providing equivalent access for effective use by both visual and no visual means; (2) presenting information, including prompts used for interactive communications, in formats intended for nonvisual use; and (3) after being made accessible, it can be integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.

For purposes of this paragraph, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance. If requested, the Contractor must provide a detailed plan for making the purchase accessible and/or a validation of concept demonstration.

Employee Background Requirements

Contractor shall comply with Arkansas Code Annotated (A.C.A.) §21-15-101 *et seq.*, or any amendments thereto, which requires all employees of state agencies, in designated positions including those providing care, supervision, treatment or any other services to the elderly, mentally ill or developmentally disabled persons, to individuals with mental illnesses or to children who reside in any state-operated facility or a position in which the applicant or employee will have direct contact with a child, to have a criminal history check and a central registry check. Should an applicant or employee be found to have been convicted of a crime listed in

A.C.A. §21-15-101 *et seq.*, that employee shall be prohibited from providing services in a designated position as defined by Arkansas law or being present at the facility. Should an applicant or employee be found to have been named as an offender or perpetrator in a true, substantiated, or founded report from the Child Maltreatment Central Registry, the Adult Abuse Central Registry, or the Certified Nursing Assistant/ Employment Clearance Registry, the applicant/employee shall be immediately disqualified.

Prohibition Against Contingent Fees

It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business.

Compliance with Department Policy Issuances

The Contractor agrees to deliver the services authorized by this contract or any attachment in accordance with all policies, manuals and other official issuances of the State of Arkansas and Department promulgated through the Administrative Procedures Act.

Relinquishment

The failure of the Department to insist upon the performance of any of the conditions in any one or more instances shall not be construed as a waiver or relinquishment of the future benefit of said condition.

Entire Contract

The parties acknowledge that each have read this Contract, understand it and agree to be bound by the terms. The parties further agree that this Contract is the complete and exclusive statement of the agreement of the parties with respect to the subject matter hereof and that it supersedes all prior proposals, representations, arrangements, understandings, and agreements, whether oral or written, between the parties with respect to the subject matter hereof.

This Contract may not be modified, amended, or in any way altered except by a written agreement duly executed by the parties and approved in accordance with the laws and established procedures of the State of Arkansas.

Survival of Rights and Obligations

The right and obligations of the Parties under this Contract shall survive and continue after the ending or expiration of the term of this Contract, and shall bind the parties, and their legal representatives, successors, heirs and assigns.

Notices

All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed by first class mail, postage prepaid, to:

(address)

Attention: _____
(name of contractor contact person or such other name or address as
may hereafter be furnished to Department in writing by the Contractor)

Notices to the Department should be mailed to:

(address)

Attention: _____
(name of Department contact person)

Severability of Provisions

If any one or more of the covenants, agreements, provisions or terms of this Contract shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Contract and shall in no way affect the validity or enforceability of the other provisions of this Contract.

Certification Regarding Lobbying:

The Contractor will comply with public law 101-121, section 319 (section 1352 of Title 31 U.S.C.) for an award in excess of \$100,000.00 by certifying that appropriated federal funds have not been or will not be used to pay any person to influence or attempt to influence a federal official/employee in connection with the awarding of any federal contract, grant, loan or cooperative agreement.

If the Contractor has paid or will pay for lobbying using funds other than federal appropriated funds, Standard Form-LLL (Disclosure of Lobbying Activities) shall be completed and included as an attachment to this contract.

Certification Regarding Debarment

The Contractor, as a lower tier recipient of \$25,000.00 or more in federal funds, will comply with Executive Order 12549 (Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion-Lower Tier Covered Transactions). By signing and submitting this lower tier proposal, the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal or state agency
- where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal.

The prospective lower tier participant further agrees by submitting this proposal that it will include this clause entitled *Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion-Lower Tier Covered Transactions* without modification in all lower tier covered transactions.

Contractor certifies that the Contractor is in compliance with Public Law 101-121 (Certification Regarding Lobbying) and Executive Order 12549 (Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion-Lower Tier Covered Transactions):

Certification Regarding Employment Practices

Neither the Contractor nor its subcontractors shall discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age (except as provided by law), marital status, political affiliation, or disability. The Contractor must take affirmative action to ensure that employees, as well as applicants for employment, are treated without discrimination because of their race, color, religion, sex, national origin, age (except as provided by law), marital status, political affiliation, or disability. Such action shall include, but not be limited to, the following:

- Employment
- Promotion
- Demotion or transfer
- Recruitment or recruitment advertising
- Layoff or termination
- Rates of pay or other forms of compensation, and
- Selection for training, including apprenticeship.

Contractor certifies that neither the contractor nor its subcontractors shall discriminate against any employee or applicant for employment because of race, color, religion, gender, national origin, age (except as provided by law) or disability. Contractor must insure that employees, as well as applicants for employment, are treated without discrimination because of their race, color, religion, gender, national origin, age (except as provided by law) or disability. Such action shall include, but not be limited to, employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection of training, including apprenticeships.

Attachment B STATEMENT OF ACKNOWLEDGEMENT

NAME OF ORGANIZATION			
ADDRESS		Phone #	
		FAX #	
TAXPAYER IDENTIFICATION / SOCIAL SECURITY NUMBER:			
<input type="checkbox"/> MINORITY VENDDR	<input type="checkbox"/> STATE AG'CY	<input type="checkbox"/> LOCAL GOV'T	<input type="checkbox"/> FOR PROFIT
		<input type="checkbox"/> NON-PROFIT	<input type="checkbox"/> CORPORATION, LLC, or PA
		<input type="checkbox"/> <u>FILED FOR INCORPORATION,</u> LLC, or PA	

PERSON AUTHORIZED BY ORGANIZATION TO CONTRACTUALLY OBLIGATE THE ORGANIZATION:

NAME:		TITLE:	
-------	--	--------	--

PERSON AUTHORIZED BY ORGANIZATION TO NEGOTIATE THE CONTRACT ON BEHALF OF THE ORGANIZATION:

NAME:		TITLE:	
-------	--	--------	--

CORPORATE PRESIDENT'S NAME AND ADDRESS (IF NOT APPLICABLE, SO NOTE):

NAME:		ADDRESS:	
OFFICIAL TITLE:			

Does this proposal contain confidential information? If "Yes", explain on an attachment to this Statement. YES ☐ NO ☐

Have you previously been a provider for the Department of Human Services?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Have you been terminated from a DHS program or convicted of Medicare / Medicaid fraud?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Do you intend to offer any services through a subcontractor?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<ul style="list-style-type: none"> If so, indicate in the space provided the percentages of work that will be done by the primary contractor and the subcontractors? If so, have you attached the required statements from the subcontractors? 		
Have you included the original and copies of the proposal, in the required format and number?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Have you refrained from including pricing information in the Technical Proposal?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Have you read and understood, and do you agree to comply with, the requirements of the RFP?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Do you certify that you do not and will not discriminate in employment practices?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Does the person signing certify that he/she is responsible for making decisions for the organization relevant to this RFP?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Do you authorize DHS to verify financial information requested by the RFP?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Do you certify that no attempt has been made to persuade others to or not to submit proposals?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Do you commit to adhering to an established accounting systems and financial controls?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Have you received any amendments to this RFP? YES <input type="checkbox"/> NO <input type="checkbox"/> If "YES", how many?		

CERTIFICATION

By signature of this form and submission of a proposal in response to this RFP, the respondent acknowledges that the above certifications are true and accurate, that the proposal remains valid through the evaluation, selection, and contract period, and that the signer accepts and agrees with the terms and conditions contained within this RFP.

SIGNATURE BY OFFICER OF ORGANIZATION
Authorized to Contractually Obligate

TITLE

DATE

**ATTACHMENT C
STATE OF ARKANSAS
PROFESSIONAL/CONSULTANT SERVICES CONTRACT**

CONTRACT #		FEDERAL I.D. #	
VENDOR #		MINORITY VENDOR	YES ____ NO ____

1. PROCUREMENT:

Check appropriate box below for the method of procurement for this contract:

ABA Criteria ____ Request for Proposal ____ Competitive Bid ____ Request for Qualifications ____
 Intergovernmental ____ Emergency ____
 Sole Source by Justification ____ (Must be attached). Sole Source by Intent to Award ____
 Sole Source by Law ____ Act or Statute #

#

2. DATES, PARTIES:

The term of this agreement shall begin on _____ and shall end on _____.

State of Arkansas is hereinafter referred to as the agency and vendor is herein after referred to as the Contractor.

AGENCY NUMBER/NAME	
AGENCY NUMBER/NAME	

CONTRACTOR NAME	
ADDRESS	

3. CALCULATIONS OF COMPENSATION:

For work to be accomplished under this agreement, the Contractor agrees to provide the personnel at the rates scheduled for each level of consulting personnel as listed herein. Calculations of compensation and reimbursable expenses shall only be listed in this section. If additional space is required, a continuation sheet may be used as an attachment.

LEVEL OF PERSONNEL	NUMBER	COMPENSATION RATE	TOTAL FOR LEVEL

Total compensation exclusive of expense reimbursement \$ _____

REIMBURSABLE EXPENSES ITEM (Specify)	ESTIMATED RATE OF REIMB.	TOTAL

Total reimbursable expense \$ _____

Total compensation inclusive of expense reimbursement \$ _____

Projected total cost of contract if all available periods of extensions are completed \$ _____

4. **SOURCE OF FUNDS:**

Complete appropriate box(es) below to total 100% of the funding in this contract.

% Federal Funds	% State Funds	% Cash Funds	% Trust Funds	% Other Funds

Identify the source of funds for the following:

Federal Funds	
Cash Funds	
Trust Funds	
Other Funds	

MUST BE SPECIFIC (i.e. fees, tuition, agricultural sales, bond proceeds, donations, etc.)

5. **RENDERING OF COMPENSATION:**

The method(s) of rendering compensation and/or evaluation of satisfactory achievement toward attainment of the agreement listed herein is as follows, or in attachment no. _____ to this agreement.

6. **OBJECTIVES AND SCOPE:**

State description of services, objectives, and scope to be provided. (DO NOT USE "SEE ATTACHED")

7. **PERFORMANCE STANDARDS:**

List Performance standards for the term of the contract. (If necessary, use attachments)

8. ATTACHMENTS:

List ALL attachments to this contract by attachment number:

9. CERTIFICATION OF CONTRACTOR

A. "I, _____ (Contractor) _____ (Title)
certify under penalty of perjury that, to the best of my knowledge and belief, no regular full-time or part-time employee of any State agency of the State of Arkansas will receive any personal, direct or indirect monetary benefits which would be in violation of the law as a result of the execution of this contract." Where the contractor is a widely-held public corporation, the term 'direct or indirect monetary benefits' "shall not apply to any regular corporate dividends paid to a stockholder of said corporation who is also a State employee and who owns less than ten percent (10%) of the total outstanding stock of the contracting corporation."

B. List any other contracts or subcontracts you have with any other state government entities. (Not applicable to contracts between Arkansas state agencies.)

C. Are you currently engaged in any legal controversies with any state agencies or represent any clients engaged in any controversy with any Arkansas state agency?

D. The contractor agrees to list below, or on an attachment hereto, names, addresses, and relationship of those persons who will be supplying services to the state agency at the time of the execution of the contract. If the names are not known at the time of the execution of the contract, the contractor shall submit the names along with the other information as they become known. Such persons shall, for all purposes, be employees or independent contractors operating under the control of the contractor (sub-contractors), and nothing herein shall be construed to create an employment relationship between the agencies and the persons listed below.

NAME	RELATIONSHIP

E. The agency shall exercise no managerial responsibilities over the contractor or his employees. In carrying out this contract, it is expressly agreed that there is no employment relationship between the contracting parties.

10. DISCLOSURE REQUIRED BY EXECUTIVE ORDER 98-04:
Any contract or amendment to a contract executed by an agency which exceeds \$25,000 shall require the contractor to disclose information as required under the terms of Executive Order 98-04 and the Regulations pursuant thereto. The contractor shall also require the subcontractor to disclose the same information. The Contract and Grant Disclosure and Certification Form (Form PCS-D attachment II-10.3) shall be used for this purpose.

Contracts with another government entity such as a state agency, public education institution, federal government entity, or body of a local government are exempt from disclosure requirements.

The failure of any person or entity to disclose as required under any term of Executive Order 98-04, or the violation of any rule, regulation or policy promulgated by the Department of Finance and Administration pursuant to this Order, shall be considered a material breach of the terms of the contract, lease, purchase agreement, or grant and shall subject the party failing to disclose, or in violation, to all legal remedies available to the Agency under the provisions of existing law.

11. NON-APPROPRIATION CLAUSE:

"In the event the State of Arkansas fails to appropriate funds or make monies available for any biennial period covered by the term of this contract for the services to be provided by the contractor, this contract shall be terminated on the last day of the last biennial period for which funds were appropriated or monies made available for such purposes.

This provision shall not be construed to abridge any other right of termination the agency may have."

12. TERMS:

The term of this agreement begins on the date in SECTION 2 and will end on the date in SECTION 2, and/or as agreed to separately in writing by both parties.

This contract may be extended until _____, in accordance with the terms stated in the Procurement, by written mutual agreement of both parties and subject to: approval of the Arkansas Department of Finance and Administration/Director of Office of State Procurement, appropriation of necessary funding, and review by any necessary state or federal authority.

Amendments to contracts will require review by Legislative Council or Joint Budget Committee prior to approval by the Department of Finance and Administration/Director of Office of State Procurement if the original contract was reviewed by Legislative Council or Joint Budget Committee and the amendment increases the dollar amount or involves major changes in the objectives and scope of the contract.

Amendments (to contracts that originally did not require review by Legislative Council or Joint Budget Committee) which cause the total compensation to exceed the sum of \$25,000, shall require review by the Legislative Council or Joint Budget Committee, prior to the approval of the Department of Finance and Administration/Director of Office of State Procurement and before the execution date of the amendment.

This contract may be terminated by either party upon 30 day written notice, unless otherwise agreed by both parties.

13. AUTHORITY:

- A. This contract shall be governed by the Laws of the State of Arkansas as interpreted by the Attorney General of the State of Arkansas and shall be in accordance with the intent of Arkansas Code Annotated §19-11-1001 et seq.
- B. Any legislation that may be enacted subsequent to the date of this agreement, which may cause all or any part of the agreement to be in conflict with the laws of the State of Arkansas, will be given proper consideration if and when this contract is renewed or extended; the contract will be altered to comply with the then applicable laws.

14. AGENCY COORDINATION:

The Agency Representative coordinating the work of this contractor will be:

(NAME) (TITLE) (TELEPHONE #)

Agency agrees to make available advice, counsel, data, and personnel, etc. as described immediately below or in Attachment number _____ to this agreement.

15. AGENCY SIGNATURE CERTIFIES NO OBLIGATIONS WILL BE INCURRED BY A STATE AGENCY UNLESS SUFFICIENT FUNDS ARE AVAILABLE TO PAY THE OBLIGATIONS WHEN THEY BECOME DUE.

16. TYPE OF CONTRACT: PROFESSIONAL _____ CONSULTANT _____

17. SIGNATURES

CONTRACTOR DATE

AGENCY DIRECTOR DATE

TITLE

TITLE

ADDRESS

ADDRESS

APPROVED: _____
DEPARTMENT OF FINANCE AND ADMINISTRATION

DATE

Contractor Point of Contact:

Name

Telephone Number

ATTACHMENT D
ARKANSAS DEPARTMENT OF HUMAN SERVICES
PERFORMANCE BASED CONTRACTING

NOTE: These Performance Based Standards are EXAMPLES ONLY and represent the types of indicators which will be included in the contract.

Arkansas Department of Human Services
Performance Based Contracting
Inpatient Psychiatric Services for Beneficiaries Under Age 21

Pursuant to Ark. Code Ann. 19-11-1010 et. seq., the selected contractor shall comply with performance based standards. Following are the performance based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. The contract must comply with all statutes, regulations, codes, ordinances, licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.
- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable.
- IV. The contract program deliverables and performance indicators to be performed by the contractor are:

(a) Program Deliverable:

The contractor must provide a secure computer system, electronic web-based data transmission system, and system interfaces for the performance of the requirements set forth in the contract.

Performance Indicators:

A1. The contractor shall develop and implement a secure web-based data transmission system for accepting prior authorization requests from providers and returning determination notifications, including denial rationales, to providers. The transmission system must include a method for providers to interface their electronic medical records software for importing and exporting files in accordance with HIPAA and other mandatory security standards. Providers are not required to use the web-based system, so the contractor must be able to receive and respond to requests from the provider via fax or mail. The contractor shall be solely responsible for the cost of maintenance, revisions, and updates of the database and transmission system as necessary to carry out the contract. Back-up systems or methods to assure that data is received and transmitted to fulfill the contracted activities are required.

A2. The contractor shall develop, coordinate, and implement a database and electronic system to communicate determinations and automated recoupment to the Medicaid fiscal agent. The contractor must promptly correct electronic data and data transmission errors. The contractor shall be solely responsible for

the cost of maintenance, revisions, and updates of the database as necessary including back-up systems or methods to assure that data is received and transmitted to fulfill the contracted activities.

A3. The contractor shall be responsible for developing and maintaining a secure electronic system of data sharing in coordination with the contractor for outpatient mental health utilization management. This system shall be utilized for the delivery of care coordination administered by the inpatient contractor.

A4. The contractor shall provide sufficient fax, data and telephone lines (local and toll-free long distance) and equipment to communicate as required by this RFP, the contract, or both.

A5. The contractor shall enter into data use agreements with DMS and all other interested parties as necessary to fulfill the obligations of the contract.

Acceptable performance is defined as:

100% compliance with the performance indicator must be met by July 1, 2010. Develop, coordinate, implement and demonstrate compliance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996 for all electronic databases prior to July 1, 2010. All fax, data and telephone lines and equipment will be in place prior to July 1, 2010 with sufficient lead time to implement transition and start-up activities. All initial data use agreements will be in place prior to July 1, 2010. Subsequent data use agreements will be executed as needed and prior to dissemination of any additional proprietary information.

Document verification of successful daily transmission of data to the Medicaid fiscal agent and providers and successful receipt of all transmittal processes from the Medicaid fiscal agent and providers and make available to DMS upon request.

Maintain daily maintenance and back-up logs. The contractor shall be responsible for notifying DHS/DMS, providers and the fiscal agent within four hours in the event of interruptions in service due to system failures.

Submit a monthly summary report to DHS/DMS of all interruptions in service and what back-up method was utilized to ensure contracted activities were performed. The summary reports in aggregate shall evidence no more than two system failures per contract year which renders the contractor unable to perform contracted services for more than a 48-hour period of time, unless documented exceptions are made by DHS/DMS in the event of unpreventable circumstances. The report shall be submitted to DHS/DMS no later than the fifth calendar day of the following month.

The development of enhancements to the computer systems outlined in #A1, A2, and A3 above may be required and additional funding for such enhancements may be negotiated depending on the level of enhancement. Enhancements are defined as significant alterations to the computer applications resulting from policy or process changes required by the state. The alterations would be considered above and beyond ordinary maintenance, revisions or updates, yet needed to fulfill the scope of contracted work.

(b) Program Deliverable:

The contractor shall perform Certification of Need (CON), prior authorizations, continuing stay authorizations, amendments and corrections of existing authorization for Inpatient Psychiatric Services for Under Age 21 when requested by Arkansas Medicaid providers and in compliance with all criteria set out at 42 CFR Subchapter F, Part 475.

Performance Indicators:

B1. Perform Certification of Need and prior authorization medical necessity and quality of care reviews and subsequent continued stay medical necessity and quality of care reviews upon provider request. Certification of Need, prior authorization and continued stay reviews for acute inpatient psychiatric service reviews must be completed in one calendar day from receipt of the review request, including transmittal of determination notices in compliance with the Arkansas Medicaid Fairness Act (MFA), [Ark. Code Ann. § 20-77-1701 et seq.](#) Certification of Need reviews and prior authorization for residential treatment units directly following discharge from acute services must be completed in one calendar day from receipt of the review request, including transmittal of determination notices in compliance with the MFA. Certification of Need reviews and prior authorization for residential treatment units unrelated to a direct discharge from acute services must be completed expediently and in no event more than seven calendar days from receipt of the review request, including transmittal of determination notices in compliance with the MFA. Continued stay reviews and prior authorization for residential treatment units as well as Certification of Need, prior authorization and continued stay reviews for freestanding residential treatment centers (otherwise known as Psychiatric Residential Treatment Facilities) must be completed expediently and in no event more than seven calendar days from receipt of the review request, including transmittal of determination notices in compliance with the MFA. Only an Arkansas licensed, board-certified psychiatrist shall approve Certification of Need for admission and only an Arkansas licensed, board-certified psychiatrist shall deny requests based on medical necessity. If inpatient psychiatric services for under age 21 are denied in whole or in part, the contractor must send a written notice of the initial denial determination and case specific denial rationale to the provider and the beneficiary in compliance with the MFA. Denial notices must include statements of both the beneficiary's right and the provider's right to an administrative hearing under the Arkansas Administrative Procedure Act.

B2. Set forth reconsideration (informal dispute resolution) processes to reconsider medical necessity determinations, citations, deficiencies, or sanctions when requested by the provider. The provider may request reconsideration only once per review and the contractor may not bill DHS/DMS for any provider reconsideration (informal dispute resolution) requests. The contractor's reconsideration is contingent upon the provider submitting additional information. A second Arkansas licensed, board-certified psychiatrist must review and determine the disposition of the reconsideration. Reconsideration requests must be processed by the contractor within five calendar days of receipt from the provider. If services are denied in whole or in part upon reconsideration, the contractor must send a written notice of the contractor's final denial determination and case-specific denial rationale to the provider and the beneficiary in compliance with the MFA. Denial notices must include a statement of both the beneficiary's and the provider's right to an administrative hearing under the Arkansas Administrative Procedure Act. In addition to the reconsideration process, the contractor may opt to establish a renegotiation process with the provider. However, renegotiations must be processed within the timeframes established in #5 above and the contractor may not bill DHS/DMS for any renegotiation.

B3. Provide all required notices to the provider by the close of the same business day via secure web-based electronic means or by fax and posted to U.S. mail by close of the next business day to both the beneficiary and provider. Notices must be on forms or letters which comply with the MFA and are approved by DMS. The contractor must develop and maintain means of legal proof that notices were sent in accordance with timeframes set forth.

B4. Provide a method to amend initial, concurrent, or approved services when the beneficiary's requesting provider demonstrates medical necessity sufficient to require a change. Providers may not request amendments for expired prior authorizations.

B5. Electronically transmit all prior authorization numbers for approved mental health procedure codes to the Arkansas Medicaid Program's fiscal agent daily preferably in real time, per means outlined in Performance Indicator B2 above.

B6. Issue a provisional billing authorization number to the provider of services if continuing services are denied and the Medicaid beneficiary follows established procedure for choosing to continue services pending an administrative appeal.

B7. All timelines resulting from notices of action shall commence counting on the next day following postmark if mailed, transmittal verification if faxed or electronic verification of time sent if via HIPAA compliant electronic means.

Acceptable performance is defined as:

Submission of monthly reports will evidence that all acute CONs, prior authorizations, retroactive authorizations and amendment requests were properly reviewed and determinations executed within the following guidelines, unless delayed due to documented provider or contractor explanations:

- 95% within the timeframes established within the established performance indicators upon receipt of a complete review request.

Reports shall be submitted to DHS/DMS no later than the fifth calendar day of the following month. Determinations shall be considered properly reviewed at a minimum standard when all conditions of Performance Indicators B1 through B7 are met in compliance with all criteria set out at 42 CFR Subchapter F, Part 475 .

The Contractor must be available during DHS/DMS regular business hours and maintain an automated method of receiving messages and information from providers after business hours and on holidays. The contractor shall have a switchboard operator located in the Arkansas business office to direct calls in person during operating hours. DHS/DMS must be notified of all reasonable exceptions to regular business hours on a case-by-case basis.

(c) Program Deliverable:

The contractor shall perform sample retrospective reviews of paid claims for Inpatient Psychiatric Services provided to beneficiaries under age 21 in compliance with all criteria set out at 42 CFR Subchapter F, Part 475.

Performance Indicators:

C1. Retrospectively review provider and patient records for compliance with program requirements and conformity with professionally recognized standards of health care. Records indicated for review must be selected on a statistically valid (95% confidence level and accuracy rate of plus or minus 3 percentage points) sample basis. The contractor is responsible for claims reconciliation and automated recoupment of funds through use of an electronic data transmittal system in conjunction with DHS/DMS and its fiscal agent as outlined in #3 above. The contractor must report the results of retrospective reviews to DMS and include any recommendations that the contractor may have for further action by DMS. The reporting process must include an established scorecard method for reporting individual review results to DMS.

C2. Utilize retrospective review team of licensed mental health professionals as specified within the contract under H2 below.

C3. Utilize a master level or higher statistician to select record samples to be reviewed and to be able to provide testimony in the event of any legal proceeding.

C4. Furnish the provider and DHS/DMS with a written report of initial findings within 14 calendar days of the retrospective review audits.

C5. Set forth a reconsideration (informal dispute resolution) process to reconsider medical necessity and quality of care review determinations, citations, deficiencies, or sanctions when requested by the provider. The provider may request reconsideration only once per review and the contractor may not bill DHS/DMS for review of the provider reconsideration request. The contractor's reconsideration is contingent upon the provider submitting additional information. All adverse decisions must be approved by an Arkansas licensed, board-certified psychiatrist. If Inpatient psychiatric services are denied in whole or in part upon reconsideration, the contractor must send a written notice of the contractor's final denial determination and denial rationale(s) to the provider in compliance with the MFA.

Acceptable performance is defined as:

Monthly reports will evidence that reviews are performed in compliance with all criteria set out in 42 CFR Subchapter F, Part 475; in the quantity requested by DHS/DMS; and by disposition of determinations within defined timeframes at least 95% of the time. Summary Reports shall be submitted to DHS/DMS no later than the seventh day of the following month. Individual reports shall be submitted to the provider and DHS/DMS within 14 calendar days of review completion. Once initiated, individual reviews must be completed within 45 calendar days of receipt of a complete record unless delayed due to documented provider or contractor reasons.

(d) Program Deliverable:

The contractor will perform on-site inspections of care to assess quality and adequacy of inpatient psychiatric services funded by Medicaid.

Performance Indicators:

D1. Perform a combination of scheduled annual and random on-site certification audits of providers regardless of provider location to assess quality of care for Medicaid beneficiaries actively receiving inpatient psychiatric care, determine whether the care conforms to professionally recognized standards of health care, and determine whether the care conforms to state and federal guidelines. The contractor shall submit a monthly audit schedule to DMS by the 25th day of the prior month indicating facilities identified for annual, random and follow-up inspections.

D2. Utilize inspection team of licensed mental health professionals as defined within 42 C.F.R. Subchapter C, Part 456 and for the multi-agency review teams outlined in Performance Indicator (G). The inspections of care shall include at a minimum:

- 100% Patient chart reviews;
- 100% Face-to-face interviews by the Arkansas licensed, board-certified psychiatrist with Medicaid beneficiaries,
- 100% review of provider's credentials and licensure and verification of criminal and abuse background checks to include that of direct care staff;
- 100% Review of provider's written utilization review plan as specified by Inpatient Psychiatric Provider Manual Section 217.
- 10% random face-to-face interviews of family members and hospital staff and employees.
- Observation of program milieu
- Decertification by the Arkansas licensed, board-certified psychiatrist of ongoing beneficiary days authorized if review of chart and patient interview indicates medical necessity is not established.
- Initiation of billing claims reconciliation of a statistically valid (95% confidence level and accuracy rate of plus or minus 3 percentage points) sample of patient chart reviews. The contractor may begin the process of scanning records while on-site.

D3. Utilize a master level or higher statistician to select record samples to be reviewed and be able to provide testimony in the event of any legal proceedings.

D4. Report results of on-site inspections to DHS/DMS; solicit, receive and evaluate provider corrective action plans; and make recommendations to DHS/DMS.

D5. Perform follow-up on-site inspections and written reports when indicated based on a scorecard methodology related to frequency, pattern and severity of deficiencies in relation to recognized professional standards of conduct

Acceptable performance is defined as:

Written reports shall summarize all certification audits completed, corrective action plans received and reviewed within the previous month and recommendations for further action based upon all identified deficiencies.

Contractor furnishes the provider and DHS/DMS a written report of findings within 14 calendar days of the last day of the on-site audit. Contractor furnishes DHS/DMS with copies of corrective action plans submitted by the provider within at least 30 calendar days of receipt based according to evaluation and recommendations developed utilizing #3 and #4 above. All on-site inspections completed will be evidenced by a summary of findings with supporting documentation in the monthly reports to DMS and arrayed per scorecard methodology. Reports will be submitted to DHS/DMS no later than the 5th of the following month.

(e) Program Deliverable:

The contractor shall establish and maintain an internal quality assurance process and provide DMS with a copy of the established written desk procedures to be utilized.

Performance Indicators:

At a minimum, the contractor shall:

E1. Establish a system for engaging ad hoc psychiatric and behavioral health consultants having credentials as specified by DMS.

E2. Develop and implement educational services to inpatient psychiatric providers.

E3. Participate in regularly scheduled educational workshops in coordination with DMS, DBHS and other contractor entities for the purpose of training new applicants and Medicaid enrollees, or for the purpose of remedial training for existing enrolled providers.

E4. Develop and implement a process for disseminating medical information from inpatient psychiatric, outpatient mental health and substance abuse providers to primary care physicians utilizing a medical home approach to assist with communicating beneficiary information, referrals, and continuity of care and utilizing the information technology developed for care coordination linkages.

E5. Participate in activities related to inpatient psychiatric program modifications, improvements, or both, as requested by DMS.

Acceptable performance is defined as:

The contractor will contract and pay for professional psychiatric and behavioral health consultants when requested by DMS.

The contractor must submit a tentative schedule of ongoing educational services by the end of the first month of the contract year and any subsequent contract year in sufficient detail to determine how, where and approximately when provider educational opportunities will be afforded. DHS/DMS may attend any or all such scheduled events and exact scheduling shall remain flexible to meet the needs of DHS/DMS and the providers.

The contractor must assist with development of educational workshop topics and material and must participate in ongoing regularly scheduled educational workshops in conjunction with DMS, DBHS and other contractor entities for the purpose of training new applicants and Medicaid enrollees, or for the purpose of remedial training for existing enrolled providers 100 % of the time.

The contractor must develop and implement a process for disseminating medical information between inpatient psychiatric, outpatient mental health and substance abuse providers and primary care physicians utilizing a medical home approach to assist with communicating beneficiary information, referrals, and continuity of care and utilizing the information technology developed for care coordination linkages prior to July 1, 2010.

The contractor must hire and train representatives prior to July 1, 2010 to promote and advocate for interaction between behavioral health providers and primary care physicians.

The contractor must audit the implemented process for disseminating medical information between behavioral health providers and primary care physicians. Monthly reports summarizing findings and corrective action plans must be submitted to DMS by the fifth calendar day of the following month.

(f) Program Deliverable:

The contractor shall maintain all records and develop and provide regular and special program management reports.

Performance Indicators:

F1. Develop and provide regularly scheduled and special program management reports as requested by DMS to include but not limited to clinical profiling of service providers and data analysis; monthly quality assurance reports; a contract performance report describing how each contract deliverable was met, or what corrective action was taken.

F2. Clearly describe a plan and demonstrate the ability to promptly complete, file, and retain all records required or maintained in connection with the contract and make such records available to DMS upon request.

Acceptable performance is defined as:

The contractor must submit regular monthly reports, including but not limited to, statement of account, itemized invoices, and all reports necessary to determine satisfactory contract performance within seven calendar days of the following month. The contractor must furnish special reports within timeframes designated by DHS/DMS at the time of report request. DHS/DMS shall determine compliance with records retention by random request of specific records at least once per year.

(g) Program Deliverable:

The contractor shall maintain Quality Improvement Organization (QIO) or QIO-like status and sufficient staffing to perform all contracted functions. The contractor shall also maintain regular business hours of operation.

Performance Indicators:

G1. Provide 1 FTE Project Director with an advanced degree and five years experience in a utilization management setting, preferably three of which are in behavioral health.

G2. Provide sufficient staffing to perform all contract functions. At a minimum, staffing must include a multi-disciplinary team of licensed registered nurses, licensed psychologists or psychological examiners, other licensed mental health professionals, and Arkansas licensed board-certified psychiatrists in active practice. In addition, each staff member must have a minimum of three years behavioral health experience. The contractor shall state the minimum number of psychiatrists it will engage in order to perform the scope of all work. All review staff must be trained and possess experience in proper investigative techniques and how to write deficiencies. The contractor shall incur all expenses related to initial and continuing training in audit techniques.

G3. Retain a master level or higher statistician to select record samples to be reviewed and be able to provide testimony in the event of any legal proceeding.

G4. The contractor's office must be open from 8:00 a.m. to 5:00 p.m., Central Standard Time, Monday through Friday, exclusive of state holidays. Contractor staff must be present and available to providers and DMS while the office is open including coverage during lunch time and breaks. The contractor must have an automated method of receiving messages and information from providers after business hours and on holidays.

Acceptable performance is defined as:

The contractor shall submit verification of QIO or QIO-like status to DHS/DMS by the end of the first month of each contract year. The contractor shall maintain at least the minimum number of personnel required in order to perform the scope of the contract and report any revisions to staffing quotas immediately.

The contractor shall at a minimum, maintain stated office hours and message systems 100% of the time, unless documented exceptions are made by DHS/DMS in the event of unpreventable circumstances, i.e.: inclement weather determined by the State of Arkansas.

(h) Program Deliverable:

The contractor shall develop and implement the care coordination service delivery model to all beneficiaries identified as needing individualized development of behavioral health and/or substance abuse resources and referrals.

Performance Indicators:

The contractor shall be responsible to do the following:

H1. Develop a system of care coordination services within specified regions of the state utilizing System of Care (SOC) principles and submit the plan to DMS for review prior to implementation of services.

H2. Propose new categories of participation for care coordination services and submit to DMS for review.

H3. Propose and negotiate average individual active caseloads and average total active program caseload per month prior to July 1, 2010.

H4. Provide announcements and notifications to providers regarding current operations and changes in the care coordination model.

Acceptable performance is defined as:

The contractor shall complete all tasks and implement care coordination service delivery by no later than July 1, 2010.

One or more of the following remedies will be imposed for unacceptable performance of (H):

The contractor shall reimburse DMS for any expense related to delays in development and implementation. If the care coordination system cannot be implemented, the contractor shall reimburse DMS for all payment made in conjunction with the project and that part of the contract shall become void. The remainder of the contract shall remain in effect. In addition to the foregoing remedies, remedies following for all deliverables (A through I) are applicable.

(i) Program Deliverable:

The contractor shall utilize Care Coordinators within specific regions of the State to provide system of care support to beneficiaries and providers identified as needing individualized development of behavioral health and/or substance abuse resources and referrals .

Performance Indicators:

I1 The contractor shall employ Care Coordinators with professional licensure qualifications as defined in Performance Deliverable (G).

I2. Specific regions of the state shall be defined by the contractor and reviewed by DHS/DMS prior to July 1, 2010.

I3. Care Coordinators shall determine the utilization patterns of the top 5% most expensive Medicaid beneficiaries.

I4. Identify outlier providers based on their billed inpatient day procedure codes and determine the potential saving assuming their distribution of billing resembled the rest of the state.

I5. Care Coordinators shall utilize System of Care principles and be responsible for coordinating the behavioral health care of identified Medicaid beneficiaries through development of comprehensive interagency treatment planning for the purposes of assisting with discharge planning for beneficiaries admitted to inpatient care, and admission diversion for those at risk of being admitted. Care Coordinators shall collaborate with an array of providers and other stakeholders, including but not limited to, behavioral health providers, Primary Care Physicians, advocacy organizations, juvenile justice, child welfare, education, social service agencies, and any gatekeeper organizations involved in prior authorization of services.

I6. Care Coordinators shall work collaboratively with clinical review staff and share a common database with all encounters, clinical information, prior authorization requests and determinations captured in an electronic record, accessible by all staff members involved with the beneficiary's case. This database shall be updated regularly.

I7. Review determinations shall not be made in cases that have been determined to be identified participants in the care coordination program without receiving a recommendation from the assigned care coordinator.

I8. Care Coordinators shall consult with providers to assist with identification of resources within communities and shall provide assistance with regional wrap around care councils and develop a method of evaluating and improving the quality of services delivered to Medicaid beneficiaries.

Acceptable performance is defined as:

The contractor shall develop specific state regions and hire Care Coordinators for each region prior to July 1, 2010. The care coordinators must meet minimum staff qualifications outlined in number J1 above. All review determinations made for identified participants must include documented recommendation of the assigned care coordinator. The contractor shall develop monthly summary reports to DMS which provide empirical validation of the effectiveness of the Care Coordination program. Summary Reports shall be submitted to DHS/DMS no later than the fifth day of the following month.

(j) Program Deliverable:

Establish a complaint resolution process to respond to written and verbal provider and beneficiary inquiries.

Performance Indicators:

J1. Maintain a call log documenting all verbal complaints received, summary of discussion, and disposition of the call.

J2. Reply in writing to all written complaints received directly by the contractor within five calendar days of receipt of each complaint with a copy of the reply to be sent to DMS.

J3. Promptly reply in writing to DMS when requested by DMS regarding any correspondence, including correspondence about complaints received in connection with the contract. Exact time for reply will be determined on a case-by-case basis by DHS/DMS.

J4. Participate in all administrative appeals of adverse action and litigation based in whole or in part on the contractor's acts or omissions. Participation includes, without limitation, provision of the hearing statement, all documentation used by the contractor in connection with the adverse action being heard and pertinent witnesses.

Acceptable performance is defined as:

The contractor must maintain records of all complaints for three years following the final disposition of each individual complaint. The contractor must furnish a monthly detailed report of complaints and resolutions evidencing 100% response to all complaints within five calendar days. The contractor shall provide a list and rationale for all unanswered complaints by the sixth calendar day. The contractor must meet 95% satisfactory resolution of all complaints within thirty calendar days. The contractor must notify DMS by the 31st calendar day of any complaint left unresolved and furnish all documentation related to the unresolved complaint.

The contractor must submit written correspondence, regular and special reports to DHS/DMS within specified timeframes on a case-by-case basis and furnish a monthly report evidencing 95% compliance by the fifth business day of the following month.

The contractor must participate in all activities related to all administrative appeals of adverse action and litigation based in whole or in part on the contractor's acts or omissions within DHS/DMS defined timeframes on a case-by-case basis 100% of the time, unless documented exception is made by DHS/DMS.

The contractor shall provide evidence and assistance for fair hearings. The contractor shall be responsible for doing the following 100% of the time:

1. Furnish all denial information, documentation and a written hearing statement for appeals within five business days of DMS request. Denial information must include accurate statements of the reviewing physician's rationale for any requested services that were not approved.
2. Make available a physician advisor who is informed with the specific details of the appealed case to testify at the scheduled time of the hearing. The witness may be required to present information either by telephone or in person.
3. Respond upon request to DHS/DMS in letter format any communication resulting from an adverse decision within specified timeframes on a case-by-case basis.
4. The contractor shall be held responsible for any required actions transpiring within the specified timeframes for an Appeal and Hearing. In the event a case is remanded for payment due to contractor error or neglect, the contractor shall be held responsible for the identified payment.

Remedies

Acceptable performance shall be determined at the sole discretion of DMS. One or more of the following remedies will be imposed for unacceptable performance of Program Deliverables:

1. The contractor will be required to submit a corrective action plan upon written notification by DHS/DMS.
2. Payment may be withheld pending implementation of corrective action.
3. If action is not implemented within an agreed timeframe the contract may be terminated.

These remedies are in addition to all others available at law or equity.

ATTACHMENT E

PRICE SHEET

<u>Review Type</u>	<u>Projected Annual Number of Reviews*</u>	<u>Price per Review</u>	<u>Total</u>
Certification of Need, Initial Prior Authorization	<u>8,500</u>	<u> </u>	<u> </u>
Continued Stay	<u>10,000</u>	<u> </u>	<u> </u>
Retrospective Case Reviews	<u>1,000</u>	<u> </u>	<u> </u>
Inspection of Care (IOC) Reviews	<u>40</u>	<u> </u>	<u> </u>
	<u>Projected Annual # of Active Cases*</u>	<u>Price per Case</u>	
Care Coordination	<u>1,000</u>	<u> </u>	<u> </u>
Ad Hoc Professional Consultation Fees			<u> </u>
Provider Relations			<u> </u>
		TOTAL PER YEAR	\$ <u> </u>

Authorized Signature

Title

Date

***NOTE:** The numbers used in the “Projected Annual Number of Reviews” and the “Projected Annual # of Active Cases” are projections only. The actual number of Reviews and Annual number of Active Cases may be higher or lower.

